The NATIONAL UNDERWRITER
Life Insurance Edition

General Electric Company

Great Atlantic and Pacific Tea Company

Monsanto Chemical Company

THE MUTUAL LIFE Insurance Company of New York

Financial World

Advertising Council

National Association of Margarine Manufacturers

National Cotton Council of America

Freedom Foundation

American Petroleum Institute

These Ten Organizations Have Been Honored for Excellence in Public Relations

The Mutual Life public relations program has been voted one of the 10 best in America by Public Relations News, a leading publication in its field, and an independent panel of judges.

A plaque, presented to Louis W. Dawson, President of the Company, cited The Mutual Life for "distinguished accomplishment in 1949 in the use of public relations for humanizing the corporation in the public interest."

In effect, the Company's public relations program was commended for being *more* than just a program. For example, it was noted that no important Company decision is made until its effect on public opinion has been carefully considered—and that we spend a lot of time trying to discover, through various types of surveys, just what opinions the public has about us. It was also noted with approval that The Mutual Life has *acted* on its findings—using survey results as guides to policy, eliminating red tape and keeping the public informed about our operations through advertising and publicity.

So we are particularly pleased by this award because it is a recognition of our efforts to create a public relations *attitude* that pervades the entire Company.

THE MUTUAL LIFE
INSURANCE COMPANY of NEW YORK

BROADWAY AT 55TH STREET • NEW YORK 19, NEW YORK

FRIDAY, SEPTEMBER 8, 1950

XUM

"There goes the man who saved this town!

"For years we've been a one-industry town—with a one-man industry. The owner had no son or heir in the business, either. We merchants used to wonder, 'What's going to happen when old J.B. passes on?' But, George Duncan, our Ætna Life man, had the answer. He sold J.B. the idea of business life insurance. About a month ago three of the plant's top men took over without any hitches. There was some sort of an agreement drawn up at George's advice which made everything work smoothly. And, I understand the insurance gave J.B.'s widow good value for the business. All of us breathed a sigh of relief. Yes, sir, I'd like to be in the shoes of the man who saved our town's prosperity."

You *are* in that man's shoes . . . because you represent an industry devoted to selling security, an industry where the end-product is always happiness. Insurance offers a good living—and a good life.

ÆTNA LIFE INSURANCE COMPANY

HARTFORD 15, CONNECTICUT

THE NATIONAL UNDERWRITER Life Insurance Edition. Published weekly by The National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 54th year. No. 36, Friday, September 8, 1950. $5.00 per year (Canada $6.00). 20 cents per copy. Entered as second-class matter June 9, 1900, at the post office at Chicago, Ill., under the Act of March 3, 1879.

LIFE INSURANCE EDITION

The NATIONAL UNDERWRITER

September 8, 1950
54th Year, No. 36

Mutual's Expansion Program Includes Return to Texas

Will Also Open Six Agencies in Cal.; Others in Dayton, Boise

NEW YORK—Mutual Life of New York is initiating a broad expansion of its agency operations, including a return to Texas from which the company withdrew in 1907. Beginning next year, agency offices will be established in Dallas, Fort Worth, Houston and San Antonio.

Other steps include opening six agencies in California, including two additional offices in Los Angeles and one each in Long Beach, Pasadena, Beverly Hills and Fresno; establishing agency offices in Dayton, O., and Boise, Ida.; managerial changes in Cincinnati, Salt Lake City, Oakland, and Pittsburgh.

Except for the Texas phase, the expansion program and managerial changes will get under way this month. All the new managers have been training assistants at the home office.

California Managers

Carl W. Rogers will be manager at Long Beach; William H. Rowlands will be at Pasadena; Patrick F. Koenigsberger at Beverly Hills; William L. Rohlffs, and Carl W. Wood in the two additional Los Angeles units; Garrett R. McBride in Fresno; Clayne Robison in Boise, and Samuel W. Emerick in Dayton.

Thomas M. Funk, training assistant, will succeed Charles J. McCoy in Cincinnati. Mr. McCoy is retiring under the company's security program.

Willis S. Peterson, training assistant, will head the Salt Lake City agency, succeeding Carson E. Bechtel, who returns to the field.

Pittsburgher to Oakland

Norman L. Horner manager at Pittsburgh, will become manager at Oakland, succeeding A. C. Nelson, who returns to the field. Mr. Horner's successor in Pittsburgh will be Harry S. Hull, Jr., now manager of one of the New York City agencies.

The new agencies in California and Ohio will give Mutual Life policyholders a total of 12 agency offices in California and six in Ohio. At the end of 1949, residents of these two states owned about 154,000 Mutual Life policies for $502,500,000 of protection. In Texas, where the company wrote business from 1875 to 1907, residents own about 8,000 policies for $20 million of insurance with Mutual Life. Since 1940 the company has invested $70 million in Texas.

Name Health Committee

WASHINGTON — Chairman Symington of national security resources board has appointed a health resources advisory committee. Headed by Dr. Howard A. Rusk, New York University, to assist and advise the board on problems of the nation's health relating of national mobilization. Dr. W. P. Shepard, vice-president Metropolitan Life and public health professor at Stanford University, is on the committee.

AGENTS BECOMING ACTIVE

Insured Savings Plans Interest Banks; Quite a Few Adopted or Pending

Largely as a result of publicity given California's Bank of America life insured savings plan, the fact that a number of other similar plans are being considered or have already been adopted has come to light. The initiative has in virtually every case been with the bank, as it was with Bank of America, although since the Bank of America story broke quite a few agents have shown interest in selling the idea to banks that hadn't previously heard of the plan.

Fulton National Bank of Atlanta announced a plan very similar to Bank of America's about a week after the latter came out.

While the Bank of America plan was worked out by Executive Vice-president E. A. Mattison entirely independently of other similar plans, much of the wave of interest in such plans, prior to the Bank of America announcement, seems to have been generated by publicity in financial publications about a plan put into effect last January by First Bank & Trust Co. of South Bend, Ind., and insured in Lincoln National.

Described in Articles

The South Bend plan was described at some length in the April, 1950, issue of Burroughs Clearing House and had previously received considerable publicity in other banking publications. According to the Burroughs magazine article, the South Bend bank had already received numerous letters from other banks inquiring about the program.

So far as President J. D. Barnette of the South Bend bank knows, First Bank & Trust was the first to come out with such a plan. In fact, he searched diligently for prototypes that might have answers to some of the problems encountered in developing the project. In any event, it got such excellent publicity that it apparently struck many other bankers as a novel and useful idea. Mr. Barnette has received nearly 500 letters about the plan from other banks.

The "Sav-Assured" plan, as the First Bank & Trust calls its setup, is open to anyone between the ages of 18 and 55, although the plan must be of such duration that it can be completed by age 60. Five, 10, and 15 year plans are available. Maximum amount per account is $600. At first depositors were limited to two accounts each but this has recently been raised to four, permitting a maximum of $2,400 per individual.

Payment at End of Period

If the depositor continues his payments over the specified period, he gets the full amount he paid in. Should he die, payments cease, the account continues in force, and at the end of the stated period the full amount is paid to the beneficiary. The depositor may drop the plan at any time, in which case there is a deduction of 50 cents a month reserve built up in the first two years to pay the cost of the insurance.

The plan that Bank of America has adopted occurred to Mr. Mattison as he was casting about for a way to sell more savings accounts and thus increase the bank's total time deposits. Last December, in a memorandum to President L. M. Giannini, he said, "it occurred to me that there was no reason why we could not do with savings accounts what we do in reverse with personal loans—namely, insure the payment of the balance as to loans—and insure the payment of the depositor's goal on savings accounts."

Further along in the memorandum he said, "the appeal of the plan is amazing. Everyone I have even briefly discussed it with wants to open an account right away. It appeals to the insurance company because they cannot afford to sell short-term endowment policies, and as it would be on a group basis and in such small amounts it would not disturb the insurance agents."

The reference to short-term endowment policies has to do with the fact that Bank of America's plan contemplates a 50-month accumulation period, making it in effect a very short-term endowment.

Bank of America had planned to release its LISA (life insured savings account) plan early this year but was delayed in getting approval from the insurance department. Then, by the time departmental approval was received the Treasury bond drive was scheduled for May 15 and the bank again held off, although some of the printing and forms were already in its hands.

Allyn Announces N.A.I.C. Committees

W. Ellery Allyn of Connecticut, president of National Assn. of Insurance Commissioners, has announced new committee appointments. Those of interest to life insurance are:

Assistant Secretary's Office—Hershey, Ill., chairman; Harrington, Mass.; Leggett, Mo.; Allyn, Sullivan, Kan.; and Martin, La., ex-officio as N.A.I.C. officers.

A. & H.—Knowlton, N. H., chairman; Downey, Cal., vice-chairman; Soule, Me.; Crichton, W. Va.; Leslie, Pa.; Bohlinger, N. Y.; Hanley, Md.; Hershey, Dickey, Okla.; Apodaca, N. M.

Blanks — Robinson, Ohio, chairman; Lange, Wis., vice-chairman; Harrington, Mass.; J. S. Maine, Tenn.; Earl L. Berger, Pa.; Burt, S. D.; C. J. McCann, Fla.; Carl Suverkrup, Ind.; Albert Burger, Minn.; C. B. Coulbourn, Va.; R. O. Hooker, Conn.; J. F. Collins, N. Y.; G. H. McAteer, Wash.; L. H. Sanford, Mich.; C. D. Spangler, Neb.; F. T. McGovern, R. I.; Esse D. Langston, Miss.; W. H. Bittel, N. J.; J. H. Powell, Ill.; J. R. Maloney, Cal.; Byron Beavers, Mo.; M. E. Martindale, Tex.; J. R. Glennon, Ia.

Fraternal — Lange, Wis., chairman; Holmes, Mont., vice-chairman; Barrus, Wyo.; Krueger, N. D.; Leggett, Mo.; Hemenway, Vt.; Apodaca, Bisson, R. I.; Sullivan, Kan.; Donovan, Nev.

Laws and Legislation — Butler, Tex., chairman; Cheek, N. C., vice-chairman; Knowlton, Kavanaugh, Colo.; Taylor, Ore.; Downey, Cravey, Ga.; Crichton, Leggett, Sullivan, Wash.

Life—Harris, Minn., chairman; Alexander, Ia., vice-chairman; Kavanaugh, Bohlinger, Gwaltney, Ala.; Harrington, Butler, Southall, Ky.; Lange, Bisson.

War Clauses — Harrington, chairman; Harris, Bohlinger, Alexander, Hershey, Butler.

Standard Non-Forfeiture and Valuation Laws—R. O. Hooker, Conn., chairman; Bittel, Langston, Raymond Harris, N. Y.; Martindale, J. S. Maine, McCann, C. D. Spangler, McAteer.

Social Security — Hanley, chairman; Apodaca, vice-chairman; Swain, Del.; Jordan, D. of C.; Donovan, Harris, Minn.; Krueger, O'Connell, Ida.; White, Miss.; Dickey.

Taxation and Real Estate—Viehmann, Ind., chairman; Holmes, Montana, vice-chairman; Barrus, Wyoming; Swain, Del.; Gwaltney, Murphy, S. C.; Robinson, Burt, Alexander, O'Connell.

Unauthorized Insurance—Stone, Neb., chairman; Gwaltney, vice-chairman; Southall, Barrus, Holmes, Gaffney, N. J.; Sullivan, Kan.; Soule, Sullivan, Wash.; Larson, Fla.

Uniform Accounting — Forbes, Mich., chairman; Leggett, vice-chairman; Robinson, Gaffney, Bohlinger.

Valuation of Securities — Bohlinger, chairman; Harrington, vice-chairman; Gaffney, Hemenway, Alexander, Sullivan, Wash.; Stone, Larson, Allyn.

Sub-Committee — Harrington, chairman; Gough, N. J.; Bohlinger, Allyn.

Special Committee on Interstate Cooperation or Compact—Stone, chairman; Gough, N. J.; Bohlinger, Harrington, Sullivan, Wash.; Bowles, Va.; Knowlton, Forbes, Downey, Murphy.

Economy Can Adjust To Private Pensions For All: Drake

Prudential Specialist Hits Growing Support For Federal Pensions

Addressing the national pension conference sponsored by N.A.L.U. at Detroit, William F. Drake, director of group annuity sales for Prudential, termed as nonsense "this business about establishing private industrial pension systems to cover all workers with the resultant building up of such tremendous reserves under those pension systems that we will ruin our economy". He told his hearers that there are many who say these reserves, usually estimated to be upwards of $100 million, will dry up all the investment outlets, sinking interest rates, forcing reserves to be raised further and consequently driving interest rates still lower, etc. He said that anyone who will analyze this predicted doom will not be frightened.

"These fictional reserves do not spring up over night, they build gradually, and the investment market is quite capable of adjusting itself to these additions," Mr. Drake declared. "One of the large New York banks recently made a study of this question, pointing out about how many employes can be expected to be covered under private plans in the near future and what effect this increased coverage will have on funds seeking investments. Here is a summary of the bank's reasoning: Out of the 36 million non-agricultural workers privately employed in the United States, perhaps 5 million employes would become covered by private pension plans for the first time in 1950. The balance of the 36 million are either already covered or are in employment in which it is not currently practicable to cover them. The bank believes this new coverage will mean an addition to the funds seeking investment of about $500 million a year. If the rate of additions to insured and trusteed pension funds was $1.2 billion in 1949 it may be $1.7 billion during 1951. There is a lot of difference between that figure and the imaginary $3 billion figure that is often quoted. The $500 million figure is an amount to which the orderly workings of the capital market can readily adjust themselves."

Mr. Drake called attention to what he called another aspect of the pension funding problem on which some queer thinking seems to be developing. Despite recent amendments to the social security act, he told his hearers that there is growing support for the federal government's taking provision of all pensions to wage earners. "I ask you, what is there about superannuation that makes it of greater importance than other important life contingencies such as extended illness, hospitalization, disability or death? If the federal government should properly take over in one of these areas, why not in all of them? And then, how many of the individual freedoms our forefathers fought for will we, as individuals, have left? Will it benefit management or labor?" the speaker asked. He expressed belief that management and labor through collec-

(CONTINUED ON PAGE 17)

PASSES $700 MILLION MARK

Minn. Mutual Marks 70th Anniversary at Conferences in St. Paul and Banff

Announcement that Minnesota Mutual had gone over its $700 million in force goal by $2,185,000, presentation of a painting of Chairman T. A. Phillips, description of a new four-story addition to the home office and a talk by Gov. Youngdahl of Minnesota were

T. A. Phillips

H. J. Cummings

among the features of the company's 70th anniversary celebration and business conference held at St. Paul and Banff.

It was Minnesota Mutual's first national conference in 11 years, making it quite an event even aside from marking the 70th anniversary.

Atmosphere of 1880

Some 300 field representatives arrived in St. Paul and were conveyed from the station to the Hotel Lowry in tallyhos and other vehicles reminiscent of 1880, the year the company was founded. Members of a reception committee, dressed in 1880-style clothes, greeted the delegates at the station and at the hotel.

A luncheon officially opened the conference. In his welcome, Gov. Youngdahl talked on the state of the economy today and the fight each American has to overcome the threat of communism. He said that although we might beat the Russians with our military might we can not blot out the communist stain unless each person in the world makes it his own personal fight. The two things needed most at this time, said the governor, are "a sense of humor and a sense of religion."

Lamont Johnson Presides

Lamont Johnson, general agent in Spokane, convention president for 1950, was the master of ceremonies at the afternoon session at which talks were given by various home office officials on the contribution of their department to developing the market for the salesman. Each department was compared to a division of an automobile factory. The actuarial department was likened to the research and design division; agency, marketing and sales; underwriting to manufacturing and production; comptroller to accounting; secretary, service and personnel; investment, finance; law and claims, distribution.

Walter J. Rupert, vice-president and chief actuary, told of new plans of insurance that will be coming soon as a product of the actuarial department.

Alan D. Harmer, director of agencies, pointed out that 30 general agents have come up from the ranks of Minnesota Mutual agents and that the ultimate aim of the agency department is to bring success to every Minnesota Mutual representative.

86% As Applied For

C. L. O'Brien, underwriting vice-president, said his department's aim is to try to issue all business as applied for and that last year it issued without change 86% of all business received.

William F. Hagerman, comptroller, told of the methods of handling funds received and presented a challenge to the field to send in more business.

C. R. Anderson, vice-president and secretary, announced a new and easier way to handle policy loans.

Franklin Briese, treasurer, announced that Minnesota Mutual's return on invested funds was larger than the average of life companies generally.

John Fischbach, general counsel, told of the satisfaction resulting from speedy distribution of life insurance funds.

Portrait a Surprise

The life-size portrait of Chairman T. A. Phillips was presented to the company at the opening luncheon by Wilfrid E. Rumble, a member of the board and long-time friend of Mr. Phillips' on behalf of the trustees in appreciation of Mr. Phillips' long and faithful services.

The portrait, painted by Charles Fox, will hang in the home office. It was a complete surprise to Mr. Phillips. The work had been done from a photograph and by the artist's observation unknown to Mr. Phillips. Mr. Phillips joined Minnesota Mutual in 1909 as secretary and actuary. In 1918 he was elected vice-president and in 1929 was made president. He was elected chairman in 1947. His 40 years of service prompted the assignment.

Moore, Brooks Give Talks

Earle M. Moore, general agent at Los Angeles, expressed the thanks of the field men for a chance to participate in the conference, and Edwin F. Brooks, general agent at Florence, S. C., told what additional help the field would like from the home office.

That evening the entire conference delegation and all home office employes and their wives were feted at a "rinkside dinner" at the St. Paul auditorium. Following dinner, the court of Boreas Rex XIV, St. Paul winter carnival king (in real life Norman H. Nelson, vice-president of Minnesota Mutual), took over the proceedings and conferred honorary distinctions on some of the leading field men. There followed one of the St. Paul "Pop" concerts.

5-Minute Talks

The second session got under way with 15 five-minute talks by field men: Robert Humpton and H. V. Stead, Davenport, "The Method of Cultivating Rural Areas"; Julian Weston, Florence, S. C., "Organizing the Day's Work"; H. B. Diggs, Knoxville, "How I Won the Put and Take Contest"; Richard Link, Los Angeles, "Closing with the Success-o-graph"; Robert Gustafson, Duluth, "Field-Tested Sales Ideas"; Robert Harper, Denver, "Mortgage Protection Selling"; William Irvin, Fresno, "Building 1,000 Clients"; Carl Rebhan, La-Crosse, Wis., "Enthusiasm"; C. D. Odell, Roanoke, "Selling Oneself"; Howard DeVries, Minneapolis, "Building Clientele"; Robert Reed, South Bend, "Cheap Insurance Must Be Sold"; Vincent Triolo, Houston, "You Have to Want Something"; Harry Dahl, Tacoma, "The Unusual"; John Foster, Seattle, "Investing In Knowledge"; Emile Strickland, Springfield, Mo. "Writing Large Volume in Small Communities".

At luncheon, speakers were Lloyd Douglass, general agent at Detroit; Commissioner Harris of Minnesota, and Newell Johnson, vice-president. Mr. Johnson spoke on the advantages of group insurance and its benefits to Minnesota Mutual.

There followed a tour of the home office. Groups of 10 or 12 were taken through the entire building and shown how the various departments functioned. Tea was served for the women in the lounge while there was a snack bar for the men.

Entertainment that evening was by the field men. Various agencies provided singing, comedy, and contests.

Next morning the five-minute talks were continued in a short business session. President H. J. Cummings presented the new additional sales material to the field men and explained its value. The group was then escorted in buses to the White Bear Yacht Club outside St. Paul for an afternoon of golfing, boating, and other amusements.

The Banff program included business sessions and recreation.

The new four-story addition to the home office building will provide 40,000 square feet of additional space. Plans call for large working areas and all modern office equipment. There will be self-operated elevators, an escalator, night watchman's apartment, a public basement garage, a drive-in space for delivery and mail trucks, a special paper baling and scrap room, an electric duct system for easy telephone and appliance connections, latest type air-conditioning, acoustic ceilings, scientifically measured lighting.

The COMMONWEALTH Commentary

The Level Of Success

It has been said that you will never succeed beyond the purpose to which you are willing to surrender. This could well stand as a maxim and a warning to the life insurance industry and its members.

If, on the other hand, a company and its representatives are driven by the high humanitarian purpose which springs from their proper province—service to the community of men—their success must then be lofty and admirable.

Do not forget, however, that as the parts of the whole and the links of the chain determine their ultimate values, so too the characters and purposes of the individual underwriters add up to form the sum of a company's character. Let each one, therefore, key his driving purpose to the level proper to his profession.

Insurance in Force August 1, 1950 — $455,199,036

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE

NAIC War Clause Meeting Called for Sept. 13-14 at N. Y.

Commissioner Harrington of Massachusetts, chairman of the National Assn. of Insurance Commissioners subcommittee on war clauses, has called a meeting of that group for 11 a.m. Sept. 13-14 at the New York City office of the New York department.

The agenda includes consideration of the report of the subcommittee dated Aug. 2, 1950; consideration of a draft of a model results clause and of all information from the life insurance industry on status and results clauses; continued consideration relative to the merits of status clauses with a view to disposing of this matter; consideration of recommendations of the industry and commissioners on a suitable accounting procedure for accumulation of statistics relating to war clause settlements.

The second heading on the agenda covers consideration of possible effects of atomic warfare on the life insurance business and consideration of the industry point of view on pooling or reinsuring war losses (a) in lieu of war clauses; (b) in connection with losses resulting from atomic warfare; and (c) excess mortality resulting from war.

The committee will also consider a possible reinsurance program dealing with war losses generally and any other problems within the committee's scope.

The drafting committee of the N.A.I.C. subcommittee—Massachusetts, New York and Iowa—will meet in executive session with the industry drafting committee at 4 p.m. Sept. 13. Members of the full N.A.I.C. subcommittee are privileged to attend.

John W. Carson has joined Jefferson Standard Life as medical secretary. Mr. Carson was for many years with Pilot Life in similar work.

Connecticut General has named **Harold A. Ness** assistant manager at Detroit. He has been with the company at Minneapolis since 1946.

Washington National has promoted **P. C. Elliott,** superintendent of Houston district No. 1 to manager of Houston district No. 3. He has been with the company at Houston since 1934 and was promoted to superintendent in 1938.

L. B. Bigler, general agent for General American at Salt Lake City, was recently made a bishop of the Mormon church.

Louis Lipsky, president of Eastern Life, left by plane for Jerusalem to attend an emergency conference of Jewish leaders to discuss Israel's financial problems.

More than 150 agents and employes of the **Salt Lake City** agency of Equitable Society were entertained Aug. 28 at the home of Clarence L. Madsen, manager.

STRAY FROM STANDARD PRACTICE

Producer Cites Danger to Blue Cross From Knuckling Under to the Unions

The following letter to THE NATIONAL UNDERWRITER comes from E. Dexter Goodier of E. Dexter Goodier & Associates, group insurance and welfare fund specialists of Wauwatosa, Wis.:

In your Aug. 25 issue under "Sales Ideas of the Week" you have outlined a comparison method of competing with Blue Cross. Many group representatives have been using this method for some time and it is also true that Blue Cross has been using the same method in the endeavor to sell their plan. Realizing that many insurance agents may try to use this method of comparison we feel that due to some of our recent experiences a word of warning may be in order.

We all agree that in making comparisons the statements made must be correct. In the past we have analyzed many such comparisons made both by Blue Cross and group representatives and found very few to be 100% correct. If Blue Cross made the incorrect comparison then management lost faith in Blue Cross. If a group representative made the incorrect comparison then management feared they could not trust that particular group writing company.

We assume that the comparisons found in the "Sales Ideas of the Week" pertain to the Blue Cross plan sold in the Chicago area. Perhaps these comparisons are absolutely correct but let us cover a few of the points shown in this comparison and see how fast they can become incorrect.

1. "Insurance companies guarantee rates for one year while Blue Cross rates are guaranteed for only 30 days." This statement has been true under most Blue Cross plans. However, under many Blue Cross plans the contract holder can now obtain a guaranteed retention and premiums and contract provisions are guaranteed for a one year period. Up until yesterday Blue Cross has in Wisconsin guaranteed rates for 30 days unless there was a guaranteed net cost arrangement. On Sept. 1, 1950, there will be in Wisconsin a Blue Cross contract covering 1,000 employes without a guaranteed net cost arrangement with rates guaranteed to Sept., 1951.

2. "Insurance company benefits are uniformly applicable anywhere in any licensed incorporated hospital. Blue Cross benefits lack consistency even from city to city. The benefits are applicable to the locality where the hospitalization takes place." We believe that out of the 6,500 Blue Cross policyholders in Wisconsin 6,499 probably find this statement to be true. We did negotiate for one of our clients a contract with Blue Cross involving 3,000 employes where Blue Cross has guaranteed that the minimum benefit any employe will receive in any hospital in the United States or Canada will be what is allowed under the Wisconsin Blue Cross plan. If an employe is hospitalized in New York City he collects benefits as described by the New York plan because those benefits are more liberal than found in the Wisconsin plan. Like the rate guarantee this agreement provision is a clear case of discrimination.

Maternity Exception

3. "Under many insurance company programs immediate maternity benefits are provided for all employes and dependent wives insured at the effective date, while under Blue Cross there is a nine month waiting period for maternity benefits." On the 1,000 life case mentioned under point 1 Blue Cross is taking over the hospitalization insurance of a commercial carrier. This carrier provided no maternity benefits for dependent wives. Yet Blue Cross agreed to allow for the full cost of maternity cases for a 10 day hospital period as of Sept. 1, 1950, if 75% of the eligible dependents made application for benefits. We know of no other case where Blue Cross has done this in Wisconsin.

4. "Insurance companies provide complete group insurance programs tailored to fit the needs of a particular group or situation. Blue Cross provides only one type of group coverage and that is hospitalization, although surgical coverage may be obtained through Blue Shield." Blue Cross has made attempts to overcome this handicap. Arrangements have been made by an insurance agency located in the middle west whereby this agency will underwrite or handle all forms of group insurance except hospitalization. This agency has an agreement with many Blue Cross plans whereby they will provide group life, sickness and accident as well as other benefits and administer the various coverages as one package. They have been using one company as the underwriter of the casualty coverages and several companies as underwriters of the life coverages. They provide one application form and a single billing to the client.

To further prove that Blue Cross plans are discriminating against their policyholders we only have to point out that in New York City we have a client that has the local Blue Cross plan. We believe that under the New York plan Blue Cross charges $1.24 a month for the single employe; $2.72 for a man and wife and $3.56 for employe, wife and children. These were the best rates we could obtain from Blue Cross and yet when the union asked for a rate they obtained a single rate quotation for all employes regardless of whether married or single of $2.41 a

(CONTINUED ON PAGE 20)

Favors Stocks for Pension Funds

NEW YORK — Contrary to widely held opinions, common stocks should be a desirable form of investment for pension funds of large corporations, according to a survey that Morgan Stanley & Co. recently made on pension funds.

Pointing out that trust officers have sometimes criticized common stocks in pension funds as not offering definiteness in yield the report goes on to say: "We believe that over a long period a diversified list of carefully selected common stocks will provide substantially greater income than a similar investment in high grade bonds."

The survey added that a check made by a public utility of 114 other companies with pension funds showed that 53½% included common stocks in their holdings.

As to industry's ability to bear the cost of pension plans and the effect of large accumulations of pension funds seeking investment, Morgan Stanley commented that there have been some rather exaggerated estimates of the probable cost, the number of employes to be covered and the amount that will be available for annual investment.

At the same time the firm forecast that the pension trend will slow down, partly because many big industries and corporations now have such plans, but concludes that the long term effect of the pension movement on the economy cannot safely be predicted at this time.

Vaughan & Spencer Move

The insurance advertising agency of Vaughan & Spencer has moved to new quarters at 209 South La Salle street, Chicago. Charles D. Spencer & Associates, affiliated insurance publishers, remain at 166 West Jackson boulevard.

VACATIONS

It's vacation time and scientists have been telling what they think of holidays and vacations. They say that the advantages are not so greatly a matter of rest as of change. They say that you can be helped and re-created more by a change than by obtaining a rest.

One gathers from this that an underwriter who has not been producing can get one advantage of a vacation simply by getting results. One also gathers that he would get something of a vacation by changing from writing one kind of business to writing another kind, or he would get a sort of holiday by making certain changes in his technique of selling. This is provided that his old technique was not working out perfectly, for if it were working out well then there would be no point in changing. If a man is making a go of it, he probably does not want a vacation from success.

The man who takes a needed vacation and gets a change from his original procedure and feels refreshed is ready to go back into production and may hope to get off to another good start.

THE PENN MUTUAL LIFE INSURANCE CO.
MALCOLM ADAM
President
INDEPENDENCE SQUARE, PHILADELPHIA

Mutual Funds to Expand Sales Programs in Fall

1,000 Dealers Will Reach 300,000 Women in Talks Before 7,000 Groups

NEW YORK—A strong impetus will be given this fall to the sales of mutual investment fund shares through the expanded activity of the Mutual Fund Institute, which was founded last year. These funds grew 33% in size during 1949, have more than 850,000 shareholders, and more than $2 billion in assets.

Since the stock market has been experiencing its post-war boom, agents have increasingly noticed in competition the presence of these funds. Shares are sold through direct salesmen or via securities dealers countrywide. The funds are vying with agents for the public investment and savings dollars and cut into the market for every type of life insurance but term.

One of the securities sales and educational program to begin soon, with the participation of 1,000 investment dealers, is a major effort to interest women in securities investments. Approximately 2,500 speaking presentations will be made to 300,000 women members and guests of 5,000 to 7,000 women's clubs and organizations.

This campaign is typical of projects planned by the fund dealers and will augment the expanded advertising and promotional efforts of large securities houses and the stock exchange to create wider public interest in securities investments.

Expanding Fund Market

The program at the annual mutual fund conference included talks on how fund salesmen can interest trustees and other fiduciaries in putting money into mutual funds. The spreading enactment of "prudent man" regulating statutes in many states will help this trend. Sales pointers include tips on how to sell shares on a group basis to parent-teacher associations, banks, to industrial workers, union treasuries, and others.

A damper was thrown on the convention by the announcement a few weeks earlier by the securities and exchange commission of a new statement of policy on permissible sales literature. Material valued at thousands of dollars must be discarded to conform with these rules. New sales literature is being prepared however, and the slowdown in sales effort will only be temporary.

New SEC Regulations

Insurance men are pleased that the SEC prohibits representations or implications that an investor will receive a stable, continuous, dependable or liberal return or that he will receive any specified rate or rates of return. The policy statement also frowns on any assurances that the investor's capital will increase, be preserved, or protected against loss in value. Nor may accumulation of an estate be discussed without explaining the inherent market risks.

Statements may not be made that the shares are similar to or as safe as government bonds, insurance annuities, savings accounts or life insurance, or that they have the fixed income, principal, or any other features of a debt security. Nor may it be implied that the funds are subject to the same or similar investment restrictions or limitations, or have the fiduciary obligations imposed on savings banks or life companies, ex-

(CONTINUED ON PAGE 20)

NUMBER ONE in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

SCREENED FOR SUCCESS

Field underwriters of the Equitable Life of Iowa are carefully screened to make sure that they have selected a field of endeavor for which they possess abilities and aptitudes conducive to success. The most scientific selection processes available are employed for this purpose in order that only those individuals clearly adapted to field underwriting will be accepted for training. In this way, the chances for successful careers are greatly enhanced for those who qualify for contracts with the Equitable of Iowa.

EQUITABLE
Life Insurance Company
OF IOWA

FOUNDED IN 1867 IN DES MOINES

Are You Selling Your Share of

JUVENILE INSURANCE?

More and more people are realizing the value of education and the wisdom of assuring their children's education through juvenile insurance. Reserve Life's flexible Juvenile Education Plan has been built to fit the needs of your prospects.

Reserve Life also issues all standard policy forms, plus Retirement Income, Home Security, Monthly Income Disability, etc. Complete tested mailings to help you sell.

For full information about a General Agency connection with the Company specializing in real cooperation, write to S. J. Gilbert, Vice President and Director of Life Agencies.

RESERVE LIFE
INSURANCE COMPANY
HOME OFFICE: DALLAS, TEXAS

PARADOXICAL SITUATION

Rush to Buy Farms Seen Cutting Mortgage Demand

An unprecedented flight of capital into farm lands in the midwest since the start of the Korean war has resulted in a paradoxical situation which might start a downward trend in farm mortgage investments.

Unnoticed by the general public and even the majority of business firms in the press of other financial and international news, this war-born boom in farm lands is causing increasing concern among corporate investors. Although the slightly more than one billion dollars invested in farm mortgages by insurers last year represented only one-eleventh of the total real estate investments, they have been both a desirable outlet for surplus funds and one which has been steadily increasing since 1945.

Reports coming into life companies disclose that there is an almost unbelievable amount of ready cash on hand for the purchase of farms, with a declining need for mortgages. Companies which have been basing mortgages on an average of $125 an acre for farm lands, with an absolute maximum of $150, report that land at public auction this summer has been going for anywhere from $250 to $500 an acre.

Gambling on Food Prices

This means, in the opinion of observers, that farmers are gambling—and probably correctly — that the high market price for food will hold.

The market for investment, it is feared, will of necessity be narrowed. This is not surprising in view of the fact that the $19 billion held by the nation's farmers in cash and government bonds in 1949 was almost four times enough to pay off existing mortgages.

Although fear of wartime inflation, it is generally agreed, sparked this deluge of capital into the land, the time was over-ripe for farmers to start capitalizing on their 10-15% returns of recent years. Here are some examples of recent auctions:

In Illinois, a 182-acre farm, appraised this spring at $250 an acre, sold publicly at $315 an acre.

In Iowa a 160-acre farm just sold for $50,000, with the seller carrying a mortgage of $40,000, at 3%.

In Tennessee a 160-acre farm sold for $500 per acre.

In Kentucky, an improved farm sold for $1,000 an acre.

In Nebraska a farm, which in May had been given an absolute top price of $21,000, sold at auction for $23,650.

Buyers have primarily been men in their 30's.

Into the midwest agency of a large company came a man from Des Moines seeking to invest $250,000, a man from Sioux City, with $150,000, a man from Mason City with $100,000.

Currently, at least 70% of farms in the United States are clear of debt.

One insurance official said that all-cash sales of farms are of such proportions that he has never seen anything like it.

Companies variously report that farm mortgage investments are up from 5% to 20% over this time last year. However, any increase now is not considered significant—the trend in the next few months is expected to answer the pressing questions today on the entire farm investment business.

Meanwhile, mortgages on small and medium houses are soaring, with increases as high as 60%. One company, for example, lists heavy investments in small dwellings and apartment houses in Cuba, Texas, and the District of Columbia-Virginia-Maryland areas. Private construction, it was pointed out, well overshadows business building.

Purchase of FHA and G.I. loans is reported as substantially increased over last year. A decrease in April from 4½% to 4¼% in FHA interest appears to have had little effect.

Contrary to the impression held in some quarters, there have been no acute shortages so far in building materials and many feel that talk of such scarcities was entirely artificial.

According to the Institute of Life Insurance, real estate mortgages, which accounted for nearly 22% of total invested funds in 1949, are still on an increase.

N.A.L.U. Pension Conference Scores Detroit Success

A third in a series of outstanding N.A.L.U. pension conferences, featuring some of the country's leading employe benefit authorities was held at Detroit.

Hundreds of industrial and business executives as well as bankers, attorneys, educators, and labor leaders attended the all-day conference. Morning speakers included Judd C. Benson, president of N.A.L.U.; William F. Drake, director of group annuity sales, Prudential; William J. Casey, chairman of the board of editors of the Research Institute of America. Henry S. Stout, Dayton, chairman of the N.A.L.U. committee on industry development and information, presided.

The afternoon program included C. J. Whipple, chairman of Hibbard, Spencer, Bartlett & Co., Chicago, and Stefan Hansen, group actuary Great-West Life.

A digest of Mr. Drake's talk appears elsewhere in this issue and a summary of Mr. Casey's remarks will appear in a later issue.

Mr. Whipple summarized his company's 45 years of experience with employe pension plans. He pointed out the pitfalls of self-administered plans, telling how the reserves of his company's plan had become seriously impaired during the crash of 1929. Pension payments to employes exceeded payments into the fund and employes had to be encouraged to stay on after retirement age.

Hibbard, Spencer's Evolution

According to Mr. Whipple, in the evolution from a self-administered to an insured pension plan, his company tried various methods of managing the fund, but none guaranteed the security required to insure that adequate reserves would always be available to meet future demands for pensions. Finally the company completely revamped the plan and set it up on a scientific basis, actuarially sound and guaranteed by an insurance company.

The speaker warned that the diminishing purchasing power of the dollar means that plans set up even a few years ago and the social security system may prove inadequate.

The remarks of Messrs. Benson and Hansen were substantially the same as those delivered at the other pension conferences and these remarks were treated at considerable length in past issues of THE NATIONAL UNDERWRITER.

A fourth N.A.L.U. pension conference is slated for Oct. 5 at Pittsburgh.

Washington National has promoted **G. D. Mansberger** to manager of division K. Mr. Mansberger has been superintendent at Huntingdon, Pa., manager in Lewistown, Pa., and assistant division manager.

Clarifies Basis of Voting in Wash. UCD Referendum

E. M. Weston, president of Washington State Federation of Labor, says a recent article in THE NATIONAL UNDERWRITER relative to the referendum vote on disability compensation in Washington Nov. 7 carried an incorrect statement regarding the method of voting and counting of votes. He cites the provision in the constitution which reads:

"Any measure initiated by the people or referred to the people as herein provided shall take effect and become law if it is approved by a majority of the votes cast thereon: provided that the vote cast upon such question or measure shall equal one-third of the total votes cast at such election and not otherwise."

This means, Mr. Weston says, that at least one-third of the people who go to the polls on election day must vote for or against the measure, and that to carry, it must get a simple majority of the people who actually vote on the measure. "Thus, we feel that the measure will be relatively easy to carry, inasmuch as our entire organization membership is solidly behind it as 'our major political activity' of the election, and persons not voting on the measure will not be counted against it as was stated in your article."

History of Measure Reviewed

Washington has one of the few monopolistic state fund workmen's compensation laws, and when disability compensation began to be a subject of conversation in labor circles there were many advocates of a state monopoly fund.

"We did considerable research on the matter before sponsoring legislation," Mr. Weston says, "particularly in regard to the effect such a monopoly fund law would have on contracts already in effect, as the result of negotiated agreements. We came to the conclusion that this was a field which should be left open to all companies on an optional plan basis and that we should encourage private enterprise, rather than to attempt to legislate against them.

"We therefore invited representative companies to sit down with us to draft the legislation, along with the employers. The Medical Assn. joined in the discussion and a very constructive program was evolved on an optional basis. The bill was presented to the legislature and the very same insurance people who helped us draft the bill and who were allowed to insert their chosen language into it, came out flat-footed against the bill, and proposed an alternate bill which was very restrictive, and created a monopoly of the most undesirable kind. Despite this about-face, our organization (representing over 300,000 AFL members in the state) was successful in having our bill passed by the legislature by a comfortable majority. Now, we are faced with the referendum sponsored by a small and, to us, quite selfish group. We expect to win the election by a comfortable majority, because all of organized labor in the state wants a disability compensation legislation. Only the CIO want the monopoly state fund, at the present time, and their ranks are not solid in the matter."

Calls Law Inevitable

Mr. Weston declares that it is inevitable that some type of disability compensation law will be enacted. "We intend to encourage the growth of private enterprise so long as it justifies our support. In this particular field of disability insurance, we may be forced to the conclusion that private enterprise does not want to be encouraged and thus, we would have to turn our attention to the obvious merits of a state monopoly fund. In any event, we will have a disability compensation program in Washington state, either this election or a later one and we believe the insurance companies have an opportunity at this time to participate in the choice by supporting the present proposal."

Opens Canada Home Office

About 400 Prudential employes boarded a special train at Newark, East Orange and Madison, N. J., for Toronto to start full-scale operations in the new created Canadian head office. The bulk of the employes consisted of Canadian trainees who had been brought to Newark for indoctrination last June.

Prudential's Canadian headquarters will occupy six floors of the newly constructed Bank of Nova Scotia building in downtown Toronto. It will be staffed by Canadians except for a small Newark group. More than 100 tons of company records and other working equipment, shipped by truck and trailer, arrived in Toronto.

T. W. McKay, formerly assistant group supervisor for Great-West Life at Hamilton, has been appointed group supervisor for the western Ontario branches of Hamilton, London and Guelph. R. M. Gaby has been named assistant group supervisor at Toronto.

Ohio State 'Adds for Adams'

With "Add for Adams" as its slogan, the field force of Ohio State Life launched its president's campaign in honor of President Claris Adams. The field force has been divided into four groups and cash awards will be made to the winners. The winning agency will be presented the president's trophy. The campaign ends Oct. 31.

1 OLD AGE WORRIES

2 PASSING YEARS

3 LIFE INSURANCE

4 NO MORE FEARS

This is the fourth in a series of advertisements on the living values of life insurance. Each one is presented as a serious tribute to every life underwriter in the business who is helping people to understand and to use life insurance to solve life's financial problems.

HOME LIFE INSURANCE CO.

256 Broadway, New York, N. Y.

"A Career Underwriters' Company"

Trend to Term Splits Company Ranks

ARE "SOFT" SALESMEN SETTLING FOR LOWER PREMIUM POLICIES?

The prolonged industrywide trend to term is continuing at a steady pace with no sign of a let up, an informal check of 1950 production in about a dozen eastern companies shows, and the factors responsible for the trend seem destined to endure for some time.

The increased sale of term is viewed with considerable gravity in some companies although their concern is far from unanimous. While admitting that term has its place and that it is often the best type of coverage for some needs, those worried by term volume assert that in a period of unprecedented prosperity the trend should be in the opposite direction. Sales forces are putting too much emphasis on the death instead of the living values of life insurance, the term de-emphasizers maintain.

On the other hand, some companies are very term minded. Term sales are promoted to the exclusion of investment type policies which are discussed only at the prospect's request. Other companies, while not so avid about term, make little discrimination between it and cash value coverage. They are content to let term volume grow unchecked.

In some companies term comprises 70% of new business. In others the percentage is near 15%. The industry average is higher than but closer to the lower figure.

The trend to term is not uniform among companies. Some have maintained a steady 50 or 60% of volume in term for years and an increase of 1 or 2% with them hardly constitutes a trend. The companies formerly issuing low percentages of term are most concerned. The net effect of the trend is for the companies selling small amounts of term to record sizable increases and for the companies selling a large volume of it to maintain or slightly increase their already high percentages.

War Clause Selling

The Korean war and war clause selling has made an immediate contribution to increased term sales. This, however, will probably level off as a factor on a long term basis when production records feel the impact of company refusal to write it on risks exposed to mobilization or in the armed services.

Current inflationary tendencies, in the long run, will probably be a greater factor in the term boom than war clause selling. In the near future the emphasis on programming which will follow the revision of the social security act will also make a permanent contribution to sustained high term volume.

The lack of a common barometer for measuring term sales impedes clear industrywide thinking on the trend but the subject is getting considerable attention from agency men and actuaries regardless of the attitude of their companies toward it. Many discussions center around whether companies should expand term sales further or do something to discourage their growth.

Complex Statistical Picture

Despite the abundance of insurance statistics no immediately available industrywide index to term sales is kept. Analysis is complicated by different company methods of recording term which appears under a variety of names. A company-by-company check of annual statements is needed to show comparative figures over a long period. Occasionally actuarial teams have undertaken the task for different groups of companies. The last major study compared term volume of 50 companies in 1946 and 1948. Since then the trend has developed even further.

Current record sales volume would be debunked in embarrassing fashion, many think, if its term component were discounted or clearly labelled.

The latest Institute of Life Insurance study predicts an 80% increase in premiums for 1950 compared with 1940 but these will represent a decline from 4.9% of national income to 3.25%. Some of this premium showing is due to the expansion of group life, but over-all it indicates that life insurance will get one-third less of national income in 1950 than it did in 1940. This is a very sobering antidote for those who are overly enthusiastic about current sales figures.

Generally a company's attitude toward term can be determined by relating its in-force ranking to its position in the asset standing. A company with a substantial volume of term would be considerably lower in the asset table than in the in-force ranking.

Inflation is taking away some of the additional national income but not all. The public is saving more money than it ever has. This indicates to some that there is plenty of untapped money in the public pocket that should go into life insurance.

REASONS FOR TREND

Many factors contribute to expanded term sales. Comprehensive training, embellished since the war by company schools and elaborate education facilities, including Life Underwriters Training Council, emphasizes the total needs sales approach. There is a tendency toward programming as contrasted to package selling.

Agents today like to build a clientele that will stay with them. They set out detailed programs to cover all foreseeable needs. If necessary a framework of term is laid out to be filled in later by cash value cover. Many veterans are term conscious because they carried their National Service life insurance that way during their military careers.

Inflation Has Raised Sights

Inflation has raised the sights of the public and of agents about the total amount of protection needed to offset decreased purchasing power. Some believe that insurance salesmen have softened and that managers and agents have forgotten how to sell during the boom and are taking the easy way out by selling cheap insurance. Many of today's agents have never had to sell in a period when economic conditions were difficult.

Many agents like to build a house of term protection for a prospect or client so that desired coverage can be given at

(CONTINUED ON PAGE 16)

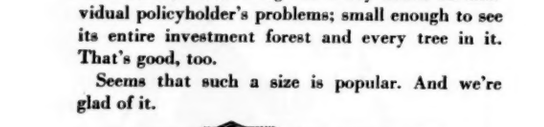
WE'RE POPULAR
...AND WE LIKE IT!

Folks tell us it's because of our size.

You see, American United is big enough to be big, yet small enough to be small. Big enough to be among the top 10% of American life insurance companies; big enough to be a factor in the investment market; big enough to enjoy all the economic advantages of bigness. That's good.

Furthermore, American United is small enough to be small. Small enough to know its people by their first names; small enough to worry about an individual policyholder's problems; small enough to see its entire investment forest and every tree in it. That's good, too.

Seems that such a size is popular. And we're glad of it.



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

"AN INDOCTRINIZATION COURSE FOR NEW AGENTS"

Made available to agency organizations by

THE LIFE INSURANCE MARKETING INSTITUTE OF PURDUE UNIVERSITY

This one-week, inexpensive, course is designed to lift from the shoulders of the manager or supervisor the task of explaining the *simple* facts of life insurance to the new agent, without interfering with the regular training program. His company's "preliminary" course is administered and *his* rate book, dividend manual and home office instructions are used, preparing the new agent for immediate sales activity.

For complete details write

HAL L. NUTT, *Director*

THE LIFE INSURANCE MARKETING INSTITUTE, PURDUE UNIVERSITY
LAFAYETTE, INDIANA

Assuring More Than

ONE BILLION DOLLARS OF FINANCIAL SECURITY

Serving Policyholders from Coast to Coast

BANKERS *Life* COMPANY
DES MOINES

Established 1879

Service Problems Replace Sales Task on New York DBL

Service and administrative tasks have replaced the sales problems of group companies with the New York state disability benefits law but there is still considerable interest in the outcome of the production race which ended two months ago.

Final statistics are eagerly awaited from the workmen's compensation board to clarify the competitive results.

Currently group departments are primarily concerned with getting employer accounts rolling smoothly. Claims are falling into a normal pattern after an upsurge immediately after the act became effective attributed to the filing of pre-act disabilities.

The major unforeseen problem is the educational job which has to be done with employers and employes on the coverage. Companies are receiving thousands of queries. Some of these are caused by company variations in plans and methods of computing premiums. Employers have now had a chance to talk over their plans among themselves. If their plans aren't exactly alike, they ask why.

Group Staffs Still Busy

Group staffs are as busy as they were. The extra personnel that were attached during the sales campaigns have returned to their former work. Companies which brought in men from out of state have redeployed them.

Sales data will be some time forthcoming. To date it is agreed only that the casualty companies wrote most of the smaller cases. The remainder of the picture is confused, even after review of the results of individual companies. No two companies record sales in the same way. In one company a sales figure shows 300 employers but in another this might be reported as one union trusteed case. Instead of uniform reports, records indicate premium, lives, employers, etc. A clear view awaits official data from the compensation board.

Group men believe that the original estimate of 170,000 employers in the state is far out of line. Some place the actual figure at approximately 100,000 even though some employers were not covered until weeks after deadline. One company reported that it received inquiris about coverage from employers after the latter, in August, had received copies of a questionnaire from the compensation board asking them what kind of policy they had bought. The deadline for coverage under the law was June 30.

Labor Dept. Attitude Seen Favorable to Changes

WASHINGTON — As hearings opened Wednesday at the labor department on the effect of inclusive employer contributions to welfare plans in computing overtime pay, Eugene Thoré general counsel Life Insurance Assn. of America, or a representative of group life insurers planned to appear in support of changes suggested by life people in wage and hour division regulations.

Following a recent conference between Mr. Thoré, Robert L. Hogg, executive vice-president American Life Convention, and department officials, the attitude of the latter towards suggested changes was reported sympathetic.

L.I.A. and A.L.C. filed three memoranda with the department in which several points were made for modification and clarification of the regulations, which are reported to have been accepted by officials.

One point made is that group dividends paid should not be construed as interfering with payments "irrevocably" made under welfare plans. Another point involves whether or not group coverage shall be treated as compensation of employes.

A third point involves the regulations' provisions that employers' payments must be made to a third party or trustee. Life representatives said some life companies have their own welfare plans, and ask why one such should not be allowed to act in dual capacity of employer and trustee for the plan, instead of turning over contributions to an outside party in order that contributions not be counted as part of the "regular rate" of pay, for purpose of calculating overtime.

Roberts Assistant Manager

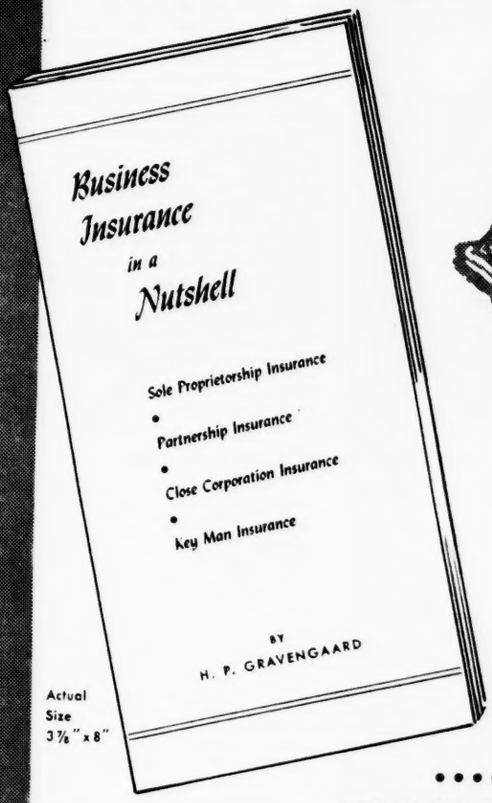
Hugh O. Roberts has been appointed as assistant manager at Des Moines of Prudential. Fred Van Rheenen is manager. Mr. Roberts has been one of the leading agents of Prudential since he joined the agency more than a year ago.

U. S. Life Service Benefits

U. S. Life has announced that employes going into the armed services will be given two weeks' salary if they have less than a year's service, with a graduated scale up to those with a maximum of five years, who will receive three months' pay. There will be individual consideration for those having over five years with the company. No decision has been reached as to group benefits, although the job or an equivalent one will be guaranteed upon return.

Life of Georgia has sold for $1.4 million the Franklin Simon store property in Atlanta to Webb & Knapp, New York development firm. At the same time, Connecticut General made a mortgage loan of $1.6 million on the property and some other parcels in the same area.

EVERY AGENT SHOULD READ . . .



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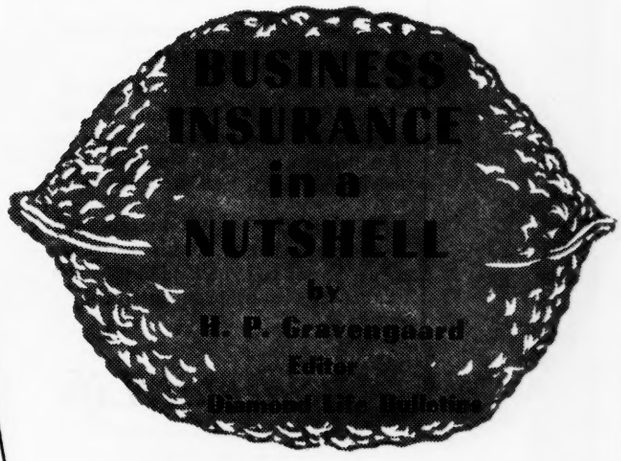

✔ STIMULATES BUSINESS INSURANCE SALES AS NEVER BEFORE

✔ ATTRACTS BIGGER — BETTER SALES

. . . . the first *EASY* step into the *GOLDEN FIELD OF BUSINESS INSURANCE*

The Contents:

- The Opportunity for the Agent
- The Problems of Business
- The Solution through Business Insurance

A Story to Thrill Old and New Agents

To read this booklet is to awaken to the golden opportunity in the field of business insurance. Each page sparkles with ideas that thrill old and new agents alike.

Sole Proprietorship, Partnership, and Close Corporation Insurance is analyzed, evaluated, solved . . . concisely, interestingly . . . as only H. P. Gravengaard can.

The amazing benefits of Key Man Insurance and a suggested Plan round out the fascinating story. This is the booklet all Home Office executives, General Agents, and Managers have been seeking to enflame the interest and enthusiasm of their growing men in the booming field of Business Insurance.

Business Insurance is Easy

Business Insurance, as Mr. Gravengaard points out in this little booklet, is not one bit more complicated than personal insurance. The average life underwriter can handle business insurance without difficulty.

Business Insurance Goes Beyond Big Business

The record proves conclusively that business insurance concerns little business far more vitally than big business. Think of the possibilities for increased sales since 95% of all business in the United States is so-called "small business".

10 Copies (Minimum Order)	$2.50
25 Copies, each	.20
50 Copies, each	.16
100 Copies, each	.14
500 Copies, each	.12
1000 Copies, each	.10

The NATIONAL UNDERWRITER COMPANY
420 EAST FOURTH STREET, CINCINNATI 2, OHIO

Big Ones Out of Little Ones

THAT'S ONE OF OUR specialties in Occidental—helping to make big cases out of little ones and thus building premium income. In a time when the trend is to lower premiums, that's important.

It's done with supplemental benefits added to the original policy.

Add Family Income, Income Protection, Mortgage Protection, Income Disability and Accident & Sickness benefits to your client's policy on *any* plan, and what have you got?

For him, the kind of one-package program that meets his insurance needs. For you, the kind of premium that meets your income needs.

Occidental Life
INSURANCE COMPANY of CALIFORNIA
V. H. JENKINS, Senior Vice President

"WE PAY AGENTS LIFETIME RENEWALS...THEY LAST AS LONG AS YOU DO"

50th Anniversary

A friendly agency minded Company whose 50 years of progress has been built on service.

ATLANTIC LIFE
INSURANCE COMPANY
Richmond, Virginia

Geriatrician, Life Advertisers Trade Views on Presentation of Retirement

Life insurance advertisements and promotional literature which contribute to the public misconception that retirement is a "sweet release into green pastures" distort the truth about old age, according to Dr. Martin Gumpert, prominent New York geriatrician and writer on the problems of the aged.

Instead, he believes life insurance companies, in their contacts with the public, should try to spread information which will encourage wider public interest in the problems of the aged and contribute to the education of the public about the great problems aging presents and how to solve them on geriatric principles.

Dr. Gumpert, is not a critic of life insurance itself, but he differs with the portrayals of retirement made in some insurance advertising. A columnist, and author of a book and many articles on the subject, Dr. Gumpert's views on life advertising reported in recent articles in "The New Yorker" magazine which discussed gerontological issues at some length. The doctor is quoted as saying "The conventional concept of retirement is plain idiotic. I know the novels and insurance company ads picture it as a sweet release into green pastures, but it is a tricky event in our lives and has to be handled carefully. An abrupt retirement is likely to mean a shortening of life. An individual can't just suddenly retire out of a busy life into one of relative indolence."

Dr. Gumpert also expressed the opinion that life insurers have helped give people the idea that they need not slow down or take health precautions on physicians' advice. Some people, he said, think that because their life insurance is in order that they can afford to die.

Philosophy Involved

The doctor cited the case of a man who "was entirely willing to have a rich widow as his monument. The insurance companies in this country have turned death into a financial transaction. From childhood on, people are conditioned to accept the idea of dying in terms of money. There is something blasphemous about the way insurance companies try to deprive us of the risk dying. I say this because I happen to think of dying as one of the noble facets of life. When an insurance salesman rings my bell, I subject him to an intensely philosophical discourse on the essential immortality of our species. I do the talking."

Discussing these views with THE NATIONAL UNDERWRITER, the doctor expressed great disapproval of the prevalent concept that retirement be compulsory at a fixed age such as 65. He believes that education should become an integral part of human activity over the entire life span. Retirement should be predicated upon medical standards, not age. Because it may come earlier for some than for others preparation for it should begin at the kindergarten stage.

Emphasis Other Phases

Life insurance advertising should turn from portraying retirement in a rosy hue and a life of leisure and idleness and picture it as an involving continual, happy and healthy community life. It should present retirement for what it is. Advertising could contribute to outmoding current public ideas about senescence. Older people should be kept active. It need not be what they have been doing, perhaps something else, the doctor believes. In another section of his "New Yorker" interview, he said "Working is a better kind of life insurance than paying premiums on policies."

Life advertising men don't differ with Dr. Gumpert's statement that preparation for retirement in its many phases is desirable. They point out however that a question of young psychology is involved and if men in their 30s were given the idea that retirement involves agonies few would be interested in buying insurance. The bait of a golf game, fishing trips, etc., has been proven by sales experience to be needed to arouse interest. If that can't be done the younger men will not buy retirement income. They would then be faced with financial difficulties which would be much more serious than the mental adjustments involved.

Have Sales Function

Advertising men state that the basic job of life insurance is providing the financial preparation for retirement and that the educational aspects of preparing persons for retirement, though important, must be considered after the financial planning is in order. Advertising of necessity is more than a public service and public relations function. It is a vital part of selling new business and must give companies proven results in a business sense, intangible or real.

Some companies use retirement income advertising as a prospecting tool and though stressing the financial aspects of retirement do not necessarily imply that it is the only retirement problem. They continue to place their greatest emphasis on financial preparation because it is the most important problem.

There is general agreement that retirement at a fixed age is not a perfect idea but assert that no substitute for it has been developed. In the ideal world retirement could begin with disability determined by medical standards. The sour experience with disability income and the difficulty of determining when a person is disabled in practice make that an impossible criterion.

At least one company is currently doing some advertising along the lines suggested by Dr. Gumpert. Alan M. Kennedy, director of public relations, Northwestern National Life, says his company selected geriatrics as a field of rising public interest some years ago and that the purpose of its national advertising has been to inform people on medical progress in geriatrics with only minor and almost incidental reference to life insurance as a means of financing the extra years of life people will enjoy in the years ahead. The company's ads raise some of the serious questions society faces because people are living longer and is not restricted to either the physical or financial aspects of living.

New N. Y. License Ruling

The New York department has issued a ruling effective Sept. 1 requiring all applicants for licenses who fail four consecutive written examinations to submit a new application and new fee before being admitted to further examination.

In a letter to the companies, the department said the action is necessitated by the increased number of examinations taken by persons who "apparently have not been properly trained or prepared for the examinations."

Several hundred politicians, labor leaders, public officials and business men attended a reception in St. Louis honoring **Sidney Salomon, Jr.**, St. Louis life insurance man, who recently was named treasurer of the Democratic national committee.

Trained Manager Available

Experienced General Agent, age 38, a C. L. U., now operating an agency in a city of less than 100,000 population producing one and one half million annually for one of the big ten wishes an opportunity in a larger city. Five years experience as personal producer and member of all company's Leaders Clubs as well as National Quality Award winner for six years. Present agency built from scratch. Pension Trust, Estate Analysis and Group experience. Present city not place of origin. Address B-63, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Maccabees Life Insurance Society Is the New Name

DETROIT — At the quadrennial meeting of Maccabees the name of that organization was changed to Maccabees Life Insurance Society. According to John P. Stock, who was reelected president for another four years, the change in name was deemed advisable to describe the order more accurately, but no changes in the objectives or policies will be made. Peter Wiggle, secretary-treasurer, and the directors were reelected.

According to President Stock, assets of the society increased by $2,808,720 during the first seven months of the year and total assets now amount to $85,020,-143, with a membership of more than 300,000 in the U. S. and Canada. There are 1,322 local units. Some 117 delegates atended the convention.

International Claim Assn. Agenda Set

The program for the annual meeting of International Claim Assn., to be held at the Greenbrier, White Sulphur Springs, Sept. 18-20, has been completed. Following presentation of the gavel to President John A. Blanchfield, assistant secretary Aetna Life, there will be a welcome by Commissioner Crichton of West Virginia, after which Mr. Blanchfield will speak.

"Claim Administration under the New York Disability Benefits Law" will be developed in a talk by Mary Donlon, chairman New York workmen's compensation board. V. J. Skutt, president of Mutual Benefit H. & A., will discuss claims.

At the Tuesday session, Robert Dechert, attorney and general counsel Penn Mutual Life, will consider problems involving title questions of insurance policies in claim settlements. Dr. Milton Helpern, deputy chief medical examiner, city of New York, will give an illustrated lecture on how "A Pathologist Looks at Some of the Problems of a Claim Man."

At the final session on Wednesday morning the speaker will be Manuel M. Gorman, assistant counsel of Life Insurance Assn. of America, on "Public Relations and the Anti-trust Laws."

Committee reports and election of officers will end the meeting.

Harry Schultz Honored as Mutual's Agent of the Year

Harry R. Schultz, of the Persons agency of Mutual Life at Chicago, has been designated "field underwriter of the year" by the company. He received a sterling silver cup 19 inches high and 11 inches in diameter at the agents' business and educational conference in New York City. Mr. Schultz joined the company in 1929 and has qualified for the Million Dollar Round Table for the past eight years. He is president of the Chicago Life Underwriters Assn. and has been a C.L.U. since 1932.

Mutual Service Tour

The 17 top agents of Mutual Service of St. Paul and their wives have completed a two-week all-expense paid tour as an award for sales records. The tour included a stop at Lake Success, where several of the group attended United Nations sessions.

Girard Life Moves to Dallas

Girard Life, which was purchased by Guardian International of Dallas some months ago, is being moved to Dallas this week. It will be housed in the Guardian International building.

Insurance People Watch Political Situation in N. Y.

NEW YORK—Walter A. Lynch was agreed upon by New York state Democratic leaders as candidate for governor in a pre-convention caucus. Mr. Lynch was the chief Congressional proponent of retroactive federal income taxes on life companies and has been fighting for the inclusion of total and permanent disability benefits in social security. The remaining opposition to Lynch favored Oscar R. Ewing, federal security administrator.

Earlier Judge Albert Conway of the court of appeals, former insurance superintendent, was a front running candidate but he withdrew after being opposed by the C.I.O.

Insurance names were set to enter the Republican party picture when Joe Hanley, incumbent lieutenant governor, decided whether he would run for that office again or for the Senate. State Senator Walter J. Mahoney, Buffalo, former head of the joint legislative committee on insurance rates and regulation, has supporters who wanted him to run for lieutenant governor, although he was said to prefer his job as head of the Senate finance committee.

Miss Mary Donlon, chairman of the workmen's compensation board and administratrix of the state disability benefits law, was mentioned as candidate for the Senatorial nomination.

J. J. Miller Becomes G. A. at Chicago for Life of Va.

J. J. Miller has been named general agent for Life of Virginia in Chicago. He has resigned as vice-president and manager and sold his interest in Life Associates, general agency of Continental Assurance affiliated with Conkling, Price & Webb general insurance agency.

The new agency is quartered at 208 South La Salle street. Life of Virginia has but one other outlet in the city through Marsh & McLennan.

Associate general agent in charge of brokerage is Darwin A. Medaris. Mr. Medaris was brokerage man with John Hancock in Chicago for many years.

Barton Meays, educational director of Continental Assurance is temporarily in charge of Life Associates.

Mr. Miller has spent all of his life insurance career at Chicago. Entering the business in 1936 as an agent with Northwestern National, he soon was promoted to supervisor. A short while later he went with Occidental as supervisor and brokerage manager. He then joined Franklin Life as assistant general agent, subsequently becoming general agent for Security Mutual. Last year he was awarded the Continental agency achievement trophy for being the company's outstanding general agent. He is a marine veteran.

James Waddington, formerly with Van Cleve Estate Service, Los Angeles, has been appointed office manager of the Yates agency of Massachusetts Mutual Life in Los Angeles.

Passengers on Argentine trains are getting **free life and accident** insurance for each trip. The maximum payment for death or injury is $1,650. Passenger fares have also been increased.

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PAN-AMERICAN LIFE INSURANCE CO.
NEW ORLEANS, U. S. A.

EDITORIAL COMMENT

Life Insurance Is Financial Time-Binding

For many centuries man has emphasized the differences between himself and other living creatures and played down the similarities. He has found it necessary to do so in order to remind himself that he has a nobler side. He has discovered that his baser side, his "animal" tendencies if not held in check will lead to his own destruction. It is obvious that man has a number of points of difference from the animals around him and he has sought many ways of explaining these differences. Some or all of these distinctions may be right. Certainly what matters most is that man continues to see the need of cultivating that side capable of appreciating and creating love, compassion, beauty and intellectual achievement.

Probably the most recent job of categorizing man in his relationship to other living organisms was done by a Polish professor of physics and mathematics, Count Alfred Korzybski. Korzybski was, among other things, the founder of an academic discipline which has become increasingly popular in American universities and is known as general semantics. Korzybski, who worked in the United States for many years following the first world war and died a year ago in Connecticut, in 1922 wrote a book which became a cornerstone of general semantics, called "Manhood of Humanity." In it he demarcated man from the other types of organisms by defining the human being as a "time-binder."

An individual cell or a plant reproduces, takes on nourishment and exhibits a sensitivity to stimuli. Each of these processes is chemical in nature. Therefore this little cell or plant may be classified as the "chemistry-binding" class of life, reasoned Korzybski.

Beyond this one-dimensional class of life, Korzybski placed members of the animal kingdom, mammals, birds, fishes, insects and reptiles. These organisms are also chemistry-binding, but they have another distinguishing characteristic, they are able to move around under their own power, to conquer space. Korzybski defined this two-dimensional class of life as "space binding."

He saw that man is a chemistry-binder and a space-binder but that man also has the unique characteristic of operating in the dimension of time. There is no other animal or organism which has developed the faculty of leaving a record of its progress for the improvement of its descendants. Man, he maintained, has conquered time and is a "time-binder."

Korzybski perceived that man constitutes the only class of life capable of recording by language its experiences. He used this distinction to sharply severalize humans from animals, despite the undoubted biological similarity between man and monkey, for example. Through the power of speech which is as much the physical basis of constructural thought as protoplasm is the physical basis of life, Korzybski put his finger on the true "manhood of humanity," the ability of man to invest his inheritance as capital and provide to his descendants dividends for the future. Man's highest function was seen to be in time as the animal's highest abilities are in space. Just look around and see how much we have that has been passed on to us as the result of the knowledge and the labor of men long dead. The very buildings we live in, the books we read, the ways we govern and are governed, all of these things are to a large extent the fruit of dead men's toil. Most of the great achievements and discoveries and creations of man are not isolated phenomena but the cumulative results of years of time-binding activity by generations of men.

Now there is no evidence that Korzybski was thinking of life insurance when he launched his theory of time-binding. He was going on to synthesize out of the stuff of Einstein, Poincaré, Whitehead and other physicist-philosophers a theory of general semantics that would lend the exactitude of mathematics to human communications and social conduct. But the inference is strong enough to be worth notice that just as man has made deathless his achievements through his time-binding activities, so in the field of financial security man has conquered time through a medium which best enables him to leave a financial heritage to his descendants. We refer to life insurance which, if Mr. Korzybski's many disciples will forgive us, we could call "financial time-binding." Through life insurance man is able to provide financial security for his dependents after his death just as surely as he was able to provide for them while living. Man does not channel his noblest working energies to provide his own security, but to provide for the future security of his widow and his other dependents.

Those in the life insurance business are engaged in the noblest kind of commercial activity. They are not providing fancy automobiles, television sets or other attractive gadgets for the immediate gratification of man. They are instead faced with the infinitely more difficult job of appealing to man's loftier facet, to that time-binding sense that will enable him to sacrifice immediate pleasure for himself for the future security of those to follow him.

Korzybski held any man successful who contributes to the well-being of those who follow. The life insurance salesman is matching this definition of success. He is a true time-binder. His activity should bring him the highest satisfaction a man can expect.

PERSONALS

William H. Siegmund, Connecticut Mutual Life Los Angeles general agent, has been named chairman of the presiding bishop's committee on laymen's work in the Los Angeles diocese of the Episcopal church. He is attending, as one of 30 laymen chosen from all over the country, a series of conferences at Greenwich, Conn., Sept. 8-10. On his return, he will organize 40 members of the Los Angeles diocese into a "flying wedge" to advance the cause of Christianity against the infiltration of subversive elements into the United States.

Donald R. Luckham, vice-president and general counsel Beneficial Standard Life, and Mrs. Luckham recently became the parents of a 7½ pound boy.

Jesse W. Randall, president of Travelers, has been named to the Connecticut advisory committee of the Crusade for Freedom, a nationwide organization that seeks to get the truth behind the Iron Curtain.

Harry B. Hershey, who left office as Illinois insurance director Sept. 1, and **Thor Wanless,** Springfield attorney and former attorney for the Illinois insurance department, are to be hosts Sept. 12 to a gathering in honor of J. E. Day, the new Illinois director. It is expected that Governor Stevenson will be one of the guests.

Robert G. Smith, sales manager of Columbus Mutual Life, has been quite ill but is now recuperating at his home at Columbus.

W. W. Jackson, administrative vice-president of American Hospital & Life, delivered the baccalaureate address at the close of the summer session of Southwest Texas State College, San Marcos, Tex., on "Cooperation versus Cut-throat Operation."

G. Emerson Reilly, actuary, and **William A. Howard,** service department of Midland Mutual Life, have been presented service pins marking 25 years and 30 years' service with the company respectively.

George W. Bourke, president of Sun Life of Canada, has been appointed a director of the Royal Trust.

Powell B. McHaney, executive vice-president and general counsel of General American Life, has been elected national president of Pi Kappa Alpha fraternity. He had been national alumni secretary for three years. The fraternity, which he joined at University of Missouri, has 100 active chapters.

Russell S. Taylor has been appointed manager of central Ontario in Toronto for Prudential of England.

August Best Month In Guardian History

Guardian Life new insurance paid-for in August reached a record high figure for the company, exceeding by 16% the company's best previous month. Paid-for totals reported by both the Detroit agency and the Spaulder, Warshall & Schnur Agency in New York exceeded $1,000,000.

President James A McLain comments that while an indeterminable proportion of the increased volume undoubtedly is attributable to general unease over world conditions, in his opinion a very substantial part was the direct result of the revised disability income provision and new term policies which the company introduced in July. He gave major credit for the record result to the combined efforts of Guardian's field force and its home office staff.

Average Claim $37

A report of an examination of Illinois Medical Service of Chicago that was conducted by the Illinois insurance department has brought out that the average claim payment is about $37. This is the medical service concern that is operated in close conjunction with Hospital Service Corp., which is the Blue Cross plan in Chicago. Illinois Medical Service has written agreements with the majority of practicing physicians in 15 counties. Hospital Service Corp. does the underwriting. At Dec. 31, 1949, assets were $409,294 and surplus $200,800. During 1949 the premiums were $896,740, claims paid $381,335, payments to Hospital Service Corp. for staff service $81,528.

Premiums earned were $830,898, losses incurred $463,835, underwriting expenses incurred $151,211, gain from underwriting $215,851. Loss ratio was 55.8 and the underwriting expense ratio 18.2. The number of insured was 143,530 of which 139,280 were under the group plan. Most of the medical claims are for hospital cases, but some claims are for services rendered in the doctors' offices for emergency cases. Claims for home maternity cases are also allowed.

Names Eight Unit Managers

Equitable Society has named as unit manager Charles C. Anspaugh at Traverse City, Mich.; G. W. Apgar, White Plains, N. Y.; C. D. Clawson, Chicago (Woody agency); G. D. Good, Hempstead, N. Y.; E. W. Kincaid, San Rafael, Cal.; J. A. Lempert, New York City (Ott agency); L. M. Minarik, Omaha, and John J. Murphy, Ann Arbor.

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DEATHS

MORGAN L. SUTHERLAND, 77, cashier of Home Beneficial Life, died at Richmond, Va. He had been in poor health since his retirement three years ago. He had been cashier of Home Beneficial since its inception in 1903.

OLIVER R. ASPEGREN, 73, prominent in life insurance in the Chicago area for 30 years, died suddenly while attending the convention of Ohio National Life at Murray Bay, Que. Mr. Aspegren had been a member of the Chicago agency of Ohio National, which is headed by his son, Oliver R. Aspegren, II. He was accompanied to the meeting by his wife, his son Oliver, and another son who is with the agency, Clifford S., and his wife. For a number of years, the senior Mr. Aspegren had headed the Chicago agency of Northwestern National and it was with this agency that his sons got their start in the business.

GEORGE F. FLAGG, secretary-treasurer of Wabash National Life of Indianapolis, died following a heart attack at Maniwaki, Quebec, while on a vacation trip.

He was formerly with the Continental Commercial Finance Co. and Abraham Lincoln Life of Illinois. In 1935 he and the late Harry G. Leslie, former governor of Indiana, formed Standard Life of Indiana.

ALBERT CUMMINGS, 71, with Sun Life of Baltimore at Philadelphia for 30 years before he retired several years ago, died there.

Agency 48% Ahead of '49

The B. A. Wiedermann agency of Union Central Life, San Antonio, had the largest month's business in its history in August. It accounted for more than $1 million in settled business. Its business is 48% greater than for 1949. The agency has $40 million of life insurance in force.

Leads Equitable Agencies

The Van Winkle agency of Equitable Society on the first seven months was 132.8% ahead. The agency led Equitable for ordinary and was second for combined ordinary and group.

L.U.T.C. Columbus Topic

Life Managers & General Agents Assn. of Columbus will hold its first fall meeting Sept. 12. The subject for discussion is "New Developments in the Life Underwriters Training Course."

Beats Expectancy

John W. Frenning, left, unit manager of the Faser agency of Penn Mutual at Boston, and Henry M. Faser, general agent, present a check for the full face value of his life insurance policy to Dr. Francis H. Rowley of Brookline, a retired clergyman. Dr. Rowley, 96, is one of the few policyholders who have outlived the mortality table.

OBSERVATIONS

Be Glad You're a Life Man

A recent company bulletin to agents of Liberty Life entitled "Be Glad You're a Life Underwriter" points out that for the agent who is called into service there will be no inventory losses in leaving and when he returns he can immediately go into production and make money without the problems of priorities, scarcities or limitations on sales. He may return to a consumer market in which money should be plentiful and competition limited from material things, especially those made of steel.

For those who remain at home the advantages of being in the business are limitless, according to the bulletin. There should be a continuous increase in the supply of money and a continuous decrease in the supply of available goods. Protection and savings will be the watchwords. There will always be an unlimited supply of "merchandise" for the life man and a great demand for his product, with plenty of money to pay for it.

New Purdue Venture Popular

Early reaction to announcement of a one-week training school for new agents by the Purdue Marketing Institute points to success. The first class, for Sept. 18, is already mostly filled. Response from 200 midwestern agencies has indicated intention to use the Purdue activity.

Draw Your Own Slides

The training staffs of many companies are making increased use of projecting equipment as a substitute for blackboard and crayon. The equipment is a black, box-like affair, with a periscope facing the wall behind the classroom instructor. With a special pencil he can make notes on the box on a table in front of him and the handwriting is projected on the wall where all the students can see it.

One advantage is that the instructor need not turn away from the class.

Considerable saving in time can be achieved because notes can be made up in advance and laid over the face of the lens like a slide film.

Special charts or graphs also can be prepared in advance. The figures to fit a particular talk can easily be filled in by the instructor. This is a variation of the standard slide film projection procedure in use for some time.

The equipment is not new in itself but imaginative training staffs are continually developing new applications for it. Occasionally it is used at sales meetings. It is particularly fitted for showing dividend accumulations and similar figures to illustrate a sales presentation.

High Self-Valuations

An application for $66,000 of insurance from a 23-year old man with no dependents is typical of the fantastic amounts that were sought during the war clause scare buying. A teen-age PFC applied for $20,000 of life insurance, a man 22 for $50,000. All the company can do is consider each case on its merits, and in many there seems a woeful lack of merit.

Many of these applicants will find they are 4F when finally drafted, or will miss military service for one reason or another and doubtless would immediately cancel their policies.

Cutting a Rug With Prexy

At a recent annual meeting of Maccabees, President John P. Stock and Secretary-treasurer Peter Wiggle established what might be viewed as a precedent for the heads of life insurance organizations. They offered all women delegates at the convention a chance to dance with them.

United American of Denver has been licensed in Washington and Oregon.

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NORTH DAKOTA — SOUTH DAKOTA — MINNESOTA — WASHINGTON — OREGON — MONTANA

AMONG COMPANY MEN

State Mutual Promotes R. H. Woodford, L. S. Stone

Robert H. Woodford and Lorne S. Stone have been made department officers of State Mutual Life, becoming underwriting manager and assistant underwriting manager, respectively, of the ordinary division.

R. H. Woodford

L. S. Stone

Mr. Woodford graduated from Tufts college in 1939, joined State Mutual, after war service, as an underwriter in 1946, becoming a senior underwriter in 1949.

Mr. Stone graduated from the University of Minnesota business school in 1940. He joined State Mutual as an underwriter, later becoming a senior underwriter. He is an air force veteran.

Mutual Benefit Ups Brown; New Titles for 3 Others

Chauncey A. Brown has been elected an officer of Mutual Benefit Life with the title of director of agency finance. He succeeds James P. Moore, Jr., who has been named director of planning and methods.

August C. Hansch, sales services director, becomes director of agency personnel. George B. Gordon, director of advanced training, is now director of advanced underwriting services, and Agency Secretary Ira W. Shattuck becomes an assistant secretary.

Mr. Brown joined Mutual Benefit in 1932. In 1940 he was assigned to auditing agency offices. Since 1946 he has been in the agency department. He is a member of the Society of L.O.M.A. Graduates.

Zider Joins Acacia Mutual to Assist S. E. Mooers

Leroy S. Zider, Jr., has resigned as Mutual Benefit Life general agent on Long Island to become assistant to S. E. Mooers, field vice-president of Acacia Mutual Life.

He started in the business as an office boy with New York Life and was later an agent of Mutual Life. He was manager of a picture service, with National Geographic magazine and on Washington, D. C., newspapers. He is an army veteran.

He joined Mutual Benefit in 1939 with the DeLong agency at New York and later went with Einstein & Salinger there.

He has been president and vice-president of the Long Island branch of the New York City Life Underwriters Assn. He has also been chairman of the Long Island Life Underwriters Training Council and founded the Estate Planning Council of Nassau County. He has also been secretary and treasurer of the latter.

Harry Wood Now on Deck as Central Life President

J. Harry Wood officially assumed office as president of Central Life of Chicago last Friday. The appointment was announced by Alfred MacArthur, who now becomes chairman of the board, last May and Sept. 1 was fixed then as the effective date of the change. Mr. Wood has been spending most of the summer at his farm at Petersham, Mass., and has also traveled to some extent. He and his family are now established at 1120 Lake Shore Drive in Chicago.

Mr. Wood has been greeted by a stream of callers during his few days in office.

Midwestern United Names Grissom; Ups Hartman

Donald B. Grissom has been appointed secretary of Midwestern United Life succeeding Benjamin W. Hartman who has been promoted to vice-president.

Mr. Grissom has been with the company since 1949 as assistant to the president and prior to that was vice-president and chief underwriter of Southern National of Arkansas.

Mr. Hartman is a C.P.A. and a member of Hartman, Cooper & Co., Fort Wayne accountants.

Empire State Names Bevins

Empire State Mutual has appointed Stanley H. Bevins manager of life sales.

He entered the business in 1941 with Home Life of New York and, after some personal production, was named supervisor of the sales planning division of the agency department. He was later named agency assistant and then manager of the sales planning division in charge of training programs. In 1946 he was appointed Buffalo manager.

On N. W. Nat'l Board

Bruce B. Dayton and John S. Pillsbury, Jr., of Minneapolis, have been elected to the board of Northwestern National Life.

Mr. Dayton is secretary-treasurer of the Dayton Co., Minneapolis department store, and Mr. Pillsbury is a partner in the law firm of Faegre & Benson.

At the meeting the board also passed a memorial resolution honoring Henry E. Atwood, a director, who died Aug. 27.

Confederation Ups Lloyd

C. R. B. Lloyd has been appointed treasurer and superintendent of mortgage investments of Confederation Life. He has held the latter position since 1939 and was appointed joint treasurer in 1949.

E. M. McNeice, superintendent of personnel for Confederation Life, has retired after 48 years in the business. He joined Sun Life in 1902 and Capital Life of Canada in 1915. Confederation took over Capital in 1915.

Ernest Atkins has retired as general manager of Sovereign Life of Canada. He served the company for more than 36 years.

Rex H. Anderson has joined the agency department of Great-West Life as supervisor of sales promotion.

Confederation Life has appointed R. F. St. John supervisor of field service. He joined the company in 1935 and was previously acting manager at Sudbury, Ontario.

H. R. Silver, Halifax, has been elected president of Maritime Life succeeding the late Dr. G. McDougall. W. F. Fraser, Glasgow, has been elected vice-president.

Bruce E. Shaver has been appointed superintendent of mortgage investments of Canada Life. **R. B. McLean** will succeed him as superintendent of mortgage investments for British Columbia. Mr. McLean has been in the home office.

Postal Life & Casualty has named Argolis Clark, Richard Queen and Gene Lott as supervisors.

Downey Rejects Offer for Stock of Pacific Mutual

LOS ANGELES — Commissioner Downey has declined the offer to purchase the stock of Pacific Mutual Life recently made by American National of Galveston.

He said that he could sell the stock of the company only under the conditions set down in the rehabilitation and reinsurance agreement of 1936 under which Pacific Mutual reinsured its predecessor. That agreement provided that except in the event of mutualization of the company its stock could be sold only if conditions were such as to require the sale for the protection of the company, its policyholders or the state of the old company in liquidation; in other words, in the event of financial distress. He stated that no such distress existed, since Pacific Mutual is in sound financial condition, in fact, its financial position is stronger than at any time since its organization.

Hancock Employes to Keep Benefits While in Service

Field and home office employes of John Hancock who enter the armed forces will be given job security, cash allowances, pension rights and continued group insurance for their dependents.

Those with the company six to 12 months will receive an allowance equal to two weeks' salary; if more than a year, a month's pay. Returning employes will be reinstated in their jobs, or similar jobs.

The company will continue hospitalization and surgical benefit insurance for dependents of staff members called into the armed forces, at no expense to the man or his family. It will also continue the man's group life and accidental death and dismemberment insurance for 120 days, and other group coverages for the period between his departure from the company and his entrance into the service. While employes are on military leave, their contributions to the company pension plan may be left on deposit with interest. On their return they may resume participation in the pension program.

Armed Forces Benefits for Home Life Employes

Employes of Home Life of New York who have been with the company a year and enter service will receive one month's salary when they are called up. Those who have been with the company six months to one year will receive half a month's salary. The Home Life military service allowance goes into effect after the first year. This monthly allowance is a percentage of the employe's average salary over the year prior to entry into the armed forces minus service pay and government provision for subsistence and quarters. Men with a wife and children are assured of an income equal to their earnings with the company up to $5,000. Home Life will make up the difference between their income in the armed forces and their income with the company. Those with other dependents, such as a wife only or parents, are assured of 75% of their income as employes. Single employes are assured of 60%. Those earning more than $5,000 a year with the company will receive a portion of their pay above that figure depending on length of service over five years.

Group insurance and employe's retirement annuities will continue. In case of a permanent disability while in service, the employe can qualify for a total disability income from the company.

Metropolitan Life has charged before the interstate commerce commission that proposals are being made for the reorganized New York, New Haven & Hartford Railroad, of which Metropolitan is a large stock and bondholder, to purchase the property of the Boston & Providence Railroad at prices substantially higher than those agreed upon under the reorganization plan. Metropolitan had originally opposed the purchase but later agreed on the basis of a stipulated price.

Provident L. & A. to Build Larger Home Office Space

Provident Life & Accident has awarded the contract for construction of an additional home office building on its Chestnut street property, Chattanooga, that will provide an increase of 40% in space.

The new building will consist of a basement and three floors and will provide 32,000 square feet of floor space. It will be 73 feet wide and 110 feet deep. It is hoped that the new structure will be ready for occupancy within six months.

The company will continue to utilize its present space in the Provident building and will house some of its departments and operations in the additional home office building.

The architects are Hunt, Caton & Associates, successors to the firm of R. H. Hunt & Co., which planned the Provident building in 1924. The new structure will be of a design harmonious with the Provident building and will have an exterior of the same brick. John Martin Co. of Chattanooga are the contractors.

Continue Employes' Cover

The death benefit provided under the employes' and agents' group insurance plan of Minnesota Mutual Life will be continued without cost for those who enter service. During the last war the company permitted employes who entered service to keep their group coverage only until they could replace it with NSLI. Since most of those who will enter service during the present emergency already own the maximum NSLI coverage, it was decided to continue the group coverage.

Commercial Life has opened a new branch office in Hamilton, Ontario, under the management of H. F. Ruiter, formerly of Montreal.

Consolidated of Tennessee has purchased the industrial business of All States Life in Tennessee and Kentucky and has sold its group hospital business to Commercial Benefit of Arizona.

10 State Officials to Be at Ellery Allyn Dinner

The insurance commissioners of 10 states will be at Hartford Sept. 12 for the testimonial dinner honoring Connecticut Insurance Commissioner W. Ellery Allyn. Mr. Allyn last June became president of National Assn. of Insurance Commissioners. The toastmaster will be Peter M. Fraser, president of Connecticut Mutual Life.

The insurance officials who will attend are: Soule of Maine; Harrington, Massachusetts; Knowlton, New Hampshire; Bohlinger, New York; Robinson, Ohio; Leslie, Pennsylvania; Bisson, Rhode Island; Murphy, South Carolina, and Lange, Wisconsin.

The dinner is sponsored by eight associations of insurance people and by the Connecticut insurance companies.

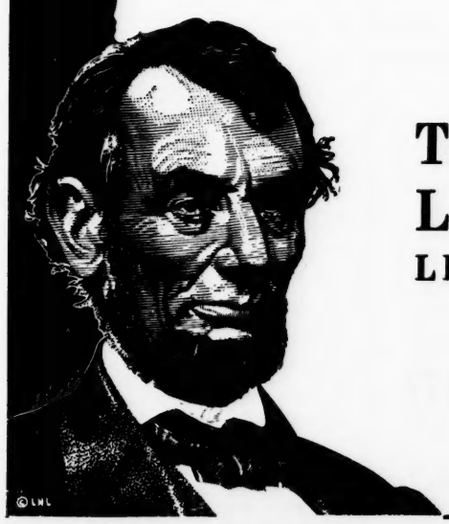
Insurer Operates Inn

Preferred Mutual Fire has bought an elaborate antique house at New Berlin, N. Y., and it is being operated as an inn for the public and a guest house for business purposes. It is now called "Preferred Manor." The house dates from 1831 and has many antique features.

Making Money with the Money Plan

Lincoln Lifers throughout the land have increased their earnings through the LNL Money Plan. This simplified programming technique in package form is built around a visual approach and presentation which gets results.

Lincoln National's Money Plan is another reason for our proud claim that *LNL is geared to help its field men.*



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National Quality Award Winners

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Misunderstanding, conflict, losses, ultimate victory.

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Mass. Mutual Fills Posts at Charleston, Hempstead

Massachusetts Mutual Life has appointed Charles S. Pearcy II as general agent at Charleston, W. Va., succeeding C. Warden Pippen, retired, and has named Merton D. Custer as manager at

C. S. Pearcy II

Merton D. Custer

Hempstead, N. Y., to serve while General Agent Thomas P. Allen is on active duty with the air force, in which he is a captain.

Mr. Pippen wished to be relieved of management duties. He will become general agent emeritus and devote his time to servicing his clients. He joined Massachusetts Mutual in 1914 as general agent in Charleston. He has held offices in the University Club, the Elks Club, the Lions Club, the Charleston Civic Music Assn., and the Charleston Life Underwriters Assn.

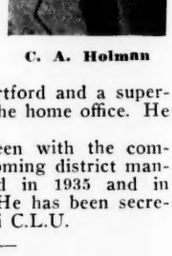
Mr. Pearcy was in the lumber business for several years before entering life insurance with New England Mutual about 10 years ago. He is an army veteran.

Mr. Allen was with the Brooklyn agency as agent and later as general agent before establishment of the Hempstead office last November. He has also been a general agent for Massachusetts Mutual in Dayton, O. He is a C.L.U.

Mr. Custer has been with Mr. Allen since 1948. For a year he has been supervisor. He is an army veteran.

C. A. Holman Is Conn. General Cincinnati Manager

Charles A. Holman, of the agency staff of Connecticut General Life has been appointed manager at Cincinnati. He succeeds Benjamin O. Stoner, resigned. Mr. Stoner will remain with Connecticut General as a personal producer.



C. A. Holman

Mr. Holman has been with Connecticut General since 1937, as an agent and brokerage assistant in Chicago and since 1940 in Hartford. He was staff assistant at Hartford and a supervisor of agencies in the home office. He is an army veteran.

Mr. Stoner has been with the company since 1934, becoming district manager in South Bend in 1935 and in Cincinnati in 1940. He has been secretary of the Cincinnati C.L.U.

Andersen to Equitable, Ia.

L. C. Andersen has been named general agent for Equitable of Iowa at Sioux City to succeed C. W. Cottingham, who will remain with the agency as a personal producer.

For five years Mr. Andersen has been general agent for Ohio National at Sioux City and before that was an instructor at Morningside College in Sioux City. He is secretary of Sioux City Life Underwriters Assn., chairman of the Sioux City Life Underwriter Training Council.

Mr. Cottingham has been with the company since 1936, prior to which he was with Equitable Society as district manager and state supervisor. He is past president of the Sioux City association.

Old Line Life Appoints Three New General Agents

Edgar W. Perkins has been appointed general agent of Old Line Life at Minneapolis. He has been in supervisory work for Northwestern National Life, which he joined as an agent in 1938 following his graduation from University of Minnesota. During the war he was in the insurance branch of the army. Mr. Perkins was national committeeman of the Duluth association.

Ray J. Giroux, with 10 years of experience in life insurance, recently manager for Union Central Life, has been named general agent at Duluth. He attended the University of Minnesota and is a graduate of the Purdue course.

Merlin E. James is named general agent at Holt, Mich., for five counties. He has a background of 10 years in insurance selling and agency operation.

Frank McNally Retiring; Son to Succeed Him

After 39 years of service, Frank T. McNally, general agent for Massachusetts Mutual at Minneapolis, will retire from active management because of ill health. He is well known throughout the business as a speaker. He will become general agent emeritus. His son, Miles W. McNally, will succeed him.

F. T. McNally

Frank McNally established a new agency at Duluth in 1912. In 1918 he formed a partnership with John Shambeau, and in 1919 their territory was expanded to include Minneapolis. The partnership was dissolved in 1920. Mr. Shambeau became sole general agent at Duluth while Mr. McNally became co-general agent at Minneapolis with Orrin H. Griggs. Two years later Mr. Griggs resigned.

Mr. McNally is a past president of both the Massachusetts Mutual agents and general agents associations and has held offices in the Minnesota and Minneapolis life underwriters associations. He was in constant demand as a public speaker.

During the war, Miles McNally served overseas for two years, upon discharge he joined his father following a training course at the home office.

Selling Associate G. A.

Christian F. Selling has been named associate general agent of the Milton agency of Postal Life in New York City.

His early years were spent with Travelers and Indemnity of North America. In 1923 he began to specialize in life and A. & H. for Travelers. In 1925 he joined Sun Indemnity as superintendent of the A. & H. department, becoming assistant secretary a year later. He resigned in 1949 to operate his own brokerage business.

Currier Group Field Sup't

Charles H. Currier, Jr. has been appointed group field superintendent by Pacific Mutual Life. His office will be in Kansas City where for 10 years he has been manager for John Hancock.

Opens Agency at Midland

American Hospital & Life has opened an agency at Midland, Tex., with Robert Boon, formerly of Longview, Tex., as manager.

Earl Armentrout, People's Life of Washington, D. C., Bluefield, W. Va., has been named field superintendent at Parkersburg, W. Va.

Murray Committee Starts Study of Health Insurance

A sub-committee of the U. S. Senate labor committee, headed by Murray of Montana, is preparing to launch the study of health insurance which was authorized by a Senate resolution adopted several months ago and will hold its first hearing at Washington Sept. 9. All of the insurance organizations interested have been requested to have representatives in attendance.

The investigation is to cover the "status, methods of operation, types, potentialities and problems" of health insurance plans. Senator Murray states that the subcommittee is planning to send out questionnaires on the development of additional voluntary plans, liberalization of their benefits, growth in membership and "deletion of limitations and exclusions from their benefits."

The committee has secured Dr. Dean A. Clark, general director of Massachusetts General Hospital, as consulting director of its survey, and Morris Pike, associate actuary of John Hancock Mutual Life, as assistant director.

The subcommittee is to report by Feb. 1 so there is some question as to how extensive a survey it can make in that period.

Travelers, Aetna Finance New Hotel at Hartford

HARTFORD—Travelers and Aetna Life have advanced a $5 million construction loan for Hartford's Statler hotel. The companies will place a long-term mortgage on the hotel after completion, with the Statler then paying one-third of the cost of land and buildings in cash.

The hotel corporation may, however, choose to leave title with the companies and take a 30-year non-cancellable lease, which can be extended for another 20 years.

Five Agencies Meet

The five agencies of Equitable Society at Los Angeles, San Diego, Albuquerque and Phoenix will meet at the Hotel Del Coronado at San Diego, Sept. 9. Vice-president William Walsh of the underwriting department and A. B. Carroll, director of agencies, will be on hand from the home office. Attendance is expected to be about 300.

To Give Dinner for Cashiers

Austin (Tex.) Life Managers Club has decided to give a dinner to National Life Agency Cashiers Assn. at the time of its annual meeting at Austin Oct. 27.

Paul Martin, American General Life, Houston, spoke on various phases of the problem of selection of agents.

William Kolb has been named field assistant in North Hollywood for the Van Winkle agency of Equitable Society in Los Angeles. **John Curry** has been appointed Orange county manager.

Great-West Life has appointed **C. B. Bertram**, of Nanaimo, B. C., as supervisor at Winnipeg and **B. M. Hunnings**, of Victoria, B. C., as supervisor at Victoria.

A. R. Jaqua, director of the Southern Methodist marketing course, is scheduled this fall to address women's forum groups in banks at Minneapolis, St. Paul, Wichita, Shawnee, Okla., and Dallas.

P. M. Harries, Fort Wayne agency cashier of New York Life, was honored by fellow agency employes on his 30th anniversary with the company. He has been Fort Wayne cashier since 1928.

Introduces New Armed Forces Indemnity Bill

WASHINGTON—Introducing a new bill for $10,000 gratuitous coverage for the armed services, Rep. Mansfield, Montana, said the National Service life system "will not be workable under large-scale mobilization or universal military training."

Urging the veterans affairs committee to hold hearings and act promptly, Mansfield said his bill would permit service-connected disabled veterans to purchase government insurance on discharge from service.

$10 Million on N. J. Dentists

J. Harold Kay, general agent at Newark for Security Mutual Life, has been awarded by the New Jersey State Dental Society, a contract in excess of $10 million for group life, health, hospitalization for members, employes and dependents, to be underwritten by his company.

The meeting of **Union Life** at Richmond, Va., Sept. 22-24 is expected to attract 100 or more insurance men from all parts of Virginia and elsewhere.

Metropolitan Life Adds Three Texas Offices

Metropolitan Life has established two additional offices in Houston, bringing the total there to four and a second Dallas office. The new Houston agencies will be managed by James T. Denny, formerly manager at Waco, and Daniel H. Van Buskirk, formerly a field training instructor. The new Dallas office, known as the Oak Cliff district, will be headed by Charles M. Burnett, formerly division supervisor in the field training division.

Chief Examiner Retires

WASHINGTON—C. F. Creighton, chief examiner of the District of Columbia insurance department, retired after 25 years' service with the department.

Pacific Actuaries to Meet

Actuarial Club of the Pacific States will hold its fall meeting Oct. 23-24 at Del Monte Lodge, Pebble Beach, Cal.

First Catholic Slovak Union celebrated its 60th anniversary in Cleveland.

Effort to Bring Back Retroactive Tax Fails

Before passing the tax revision bill the Senate rejected an amendment of Senator Ives, New York, to exempt from federal income tax the first $1,800 of federal, state or municipal pensions; also Sen. Humphrey's amendment eliminating exemption of life companies from tax on 1947 and 1948 income.

Finance Chairman George opposed the amendments.

Postal to Parker-Allston

Postal Life has named Parker-Allston Associates as advertising counsel. A. Wilbur Nelson will be account executive.

Pioneer American of Houston has entered Colorado.

A new $31,000 building will be built to house the Tampa offices of **Gulf Life.** The site was purchased for an additional $21,000.

The August record of the **Solomon Huber agency** of Mutual Benefit Life in New York City showed a total paid for volume of $1,100,154. This was spread over 54 lives and does not include term riders, annuities, group or pension business.

TERM TREND SPLITS RANKS

(CONTINUED FROM PAGE 6)

a premium the client thinks he can afford to pay.

Social security, now due for expansion, and the great growth of pension plans have encouraged many to rely on them for retirement income. They buy term insurance to cover them until retirement.

The rebirth of the "buy term and invest yourself" philosophy, aided by the continued rise in the stock market, and the wide activity of mutual funds and investment trusts, some of which have combination insurance and investment plans, contributes to the trend.

Because of low interest yields some companies have been inclined to minimize their investment headaches by promoting term instead of cash value insurance.

Continually improving mortality and lower term rates, particularly since the changeover to the CSO table by most companies, has encouraged term sales. With interest rates declining and operating costs increasing mortality savings are one of the principal sources of profits or dividends for many companies.

Effect of Competition

The highly competitive activity of some companies has brought pressure on the others from the field to meet liberalized plans. This has led to the development of numerous new forms of term coverage.

In sales campaigns some companies have allowed the same credit for term as for permanent insurance and it has been easier for agents to achieve a reward by selling term rather than cash value coverage.

Some companies have been so pleased with the profitable return on term coverages that they have set a minimum quota of term in proportion to volume and managers have been instructed to meet it.

Many new term policies and riders have been introduced including family income riders offering up to $500 of monthly income for $10,000 face amount. In addition to encouraging agents to sell term some companies have liberalized their term conversion options, reduced term rates, increased term commissions and designed new term policies for mortgage redemption, etc. The increased sale of business insurance has led to the adoption of new term forms, including term to age 70, to protect partnerships, etc. until retirement. Business firms want the protection only for the duration of a business life and meanwhile want to use their money elsewhere.

Pension trust plans generally make the individual feel that his old age is taken care of and that he has less need of cash value insurance and that his primary problem is adequately protecting his family.

More widely used career contracts for agents frequently make no discrimination between the production of term and permanent coverage. Some contain less penalty for term than straight commission contracts.

Many veterans lag several years behind the financial position they would have reached and their income is lower. They are, however, ahead in age and in responsibilities to their families. Term insurance is the way to meet them.

CENTER OF CRITICISM

The school concerned with the growth of term asserts that term sales are not bad per se. They believe, however, that much of it is being sold where the prospect or client can afford to pay for ordinary life in its cash value form. They concentrate their criticism on that phase of the term boom.

They argue that pension plans and even expanded social security can do no more than keep up with inflation and there is as much or greater need for cash values for retirement than ever before. They stress the importance of the many uses of policy cash values.

Sponsors of term assert that they are protecting against insurable risks and that some insurance is better than none. They indicate that term production drives are coupled with conversion campaigns in a regular follow-up schedule. They intend to get the cash value business as soon as the client is able to pay for it.

The advocates of term haven't told their story to any degree except by sales action and there may be other reasons for the development.

Can Be Controlled

Experience shows that companies can pretty well control their sale of any type of coverage by appropriate sales direction. Companies with a limited portfolio of term policies and little or no sales promotion on it can keep term volume down. They can reduce term sales by cutting the production credit given agents for it. Emphasis can be placed on other type policies. Some companies are meeting the problem by putting campaign and prize qualifications on an earnings basis instead of on production.

If term insurance is what the prospect needs, then that is what he should be sold. The primary aim of production men is to do a professional selling job. Aside from that predominant point, a preponderance of term sales effects an immediate decline in an agent's earnings.

One fairly authentic and recent story in New York City production circles was to the effect that a producer who had written more than $1 million earned less than $5,000 in first year commissions on a given $1 million of that volume. This is a far cry from the earnings of legendary Million Dollar Round Table members who consistently earn more than the agency vice-presidents of their companies.

Production Hints

One consistently good producer says that agents can avoid selling term by not mentioning it to a prospect except as a last resort. His second step is to fight hard to see that only part of a sale is on a term plan and to keep as much of it as possible on a cash value basis. In programming he suggests that the amount of monthly income be cut to the nub without injuring the intent of the program with more emphasis placed on retirement. He believes public sights should be raised on premium as well as face amount.

There are, of course, many cases involving temporary needs where term is the best buy. There is no disposition to argue that some young heads of families can afford anything other than term. In that situation term is the best coverage.

There is little if any sympathy in insurance circles for the arguments of investment counsellors on buying term and managing a personal investment program, at least not until all insurance needs are fully satisfied.

Raymond C. Johnson, agency vice-president of New York Life, summed up the issues in a talk on "The Trend Towards Term" which he delivered i Boston last spring. He took a firm stand in favor of cash value insuranc against the term trend. His speec which has been reprinted and reporte in many trade periodicals has stirre considerable discussion. Reproduced i booklet form by his company and offere by National Assn. of Life Underwriter the booklet drew hundreds of request

Officials of many competing com panies have asked for copies for dis tribution to their general agents an agents. This is the supreme complimen Approximately 10,000 copies of th booklet have been distributed.

The publicity given Mr. Johnson' talk has resulted in his receiving spon taneous mail from all over the country Discounting correspondence from mem bers of his own company which woul presumably be favorable, with one ex ception every letter agreed that the tim had arrived for the industry to take a careful look at the expanded sale o cheap insurance and do something t prevent its sale from getting out of lin

Hays & Bradstreet Agency Shatters Its Business Record

During August, the Hays & Brad street agency of New England Mutua set its all-time production record wit $2,146,716 of paid volume on 185 live The previous high record was fo March, 1944, when a little over $2 mi lion was written, but this included con siderable pension business while las month's record contained no pension trust business.

Leader in the agency for the mont was Bill Jadden who wrote 15 lives fo a total of $233,000. He is completin requirements for membership in th Million Dollar Round Table.

The agency has qualified 30 of it members for the regional meeting of th company at Coronado on Oct. 18-1 the largest number for any agency i the country.

Recently the agency moved into large quarters at 1111 Wilshire boulevar These quarters are temporary and eve larger offices have been planned in th building to be completed soon adjoin ing the present address.

Rochon Retirement Leads to Three Sun Life Changes

F. L. Rochon, manager at Portland Me., for Sun Life of Canada, will retir on Sept. 12 because of poor health. H has been Portland manager since 193 A graduate of Bowdoin College, h joined the Portland office in 1927. H was named agency assistant in 1929.

Arthur D. Grant will succeed M Rochon. Mr. Grant joined the Sun Lif at the head office in 1923, moved t Philadelphia in 1926 and the same yea was transferred to Wilmington wher he became secretary in 1930 and man ager in 1941. In 1945, Mr. Grant was ap pointed manager at Baltimore.

Succeeding Mr. Grant in Baltimore i Paul E. Drury, for the past two year service supervisor at Boston. Mr. Drur a son of L. V. Drury, the company' Philadelphia manager, joined the Su Life in 1946 following navy discharge His first post was as a group representa tive in Detroit. In 1948 he moved to th ordinary branch at Wilmington an went to Boston a few months afte wards.

Del. Race Is Between Ferguson and Murphy

The race for insurance commissione in Delaware is between William E. Fe guson of the Rawlins & Ferguson loc insurance agency of Bridgeville, on th Democratic ticket, and William J Murphy of Milford, Republican. M Murphy was selected by the Republica state convention. William J. Swain, wh has been the commissioner for the pa two terms, is no longer a candidate fo reelection.

Participating and Non-Participating Contracts

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Clyde E. Lowry, President
LITTLE ROCK, ARKANSAS

Private Pensions for All Possible

(CONTINUED FROM PAGE 1)

tive bargaining and greater productivity can and should solve the problem of adequate pensions. To turn to the government for this would ignore the versatility and ingenuity of American industrial, financial and labor leaders.

When an employer sets up an uninsured-trusteed retirement plan, he is operating a small annuity company as a side line, according to the speaker. This became evident during the 1920s and it became obvious also that uninsured-trusteed retirement plans were impractical at best for all but a few of the largest corporations. The life insurance industry recognized that if society's need for sound pension funding were to be fulfilled, something new had to be devised and that something new was the insured group retirement plan, the forerunner of the modern group annuity contract.

For the first time, both the employer and employe were provided a guarantee behind the benefits promised. It was then that the contributory principle came into prominence. It was only when the life insurance companies entered the field that employes felt their own contributions were safe and their benefits guaranteed. For the employer, minimum interest rates are guaranteed as are annuity purchase rates. For the first time, the employer knew that if he puts up money for retirement he won't have to pay more for it later. The insurance company assumes for the employer all his worries over the investment of funds and major administration of the plan. It is true that the employer cannot take account of employe turnover when he pays contributions, but he does receive considerable refunds when terminations actually occur. If the going gets rough for the employer and the plan has to be discontinued, he knows that all purchased benefits will be paid and his workers will be taken care of.

Deferred Annuities the Best

As a pension specialist, Mr. Drake opined that the deferred group annuity contract is the most desirable answer to the pension funding problem from both the employer and employe's viewpoints. This is the only method which enables the employer to say to his employes that once past service becomes funded, total accrued retirement incomes will be fully funded thereafter.

Mr. Drake admitted that both the union and the employer caught in the wave of recently negotiated plans of the steel industry, which for the most part call for no funding in advance of retirement date, are in for something of a bad time. This so-called maturity funding was described by the speaker as a long step backward toward pay-as-you-go plans. "It seems that the good old safe and sound deferred annuity group annuities cannot be used be-accrue. It also means that the deposit retirement to buy the benefits as they accure. It also means that the deposit administration, as we have known it, is not adaptable for there is no accumulating fund to keep the contract in effect. It means that, even though it is being used in many cases, the uninsured-trusteed method is inappropriate because as the funds are set up they immediately begin to diminish through benefit payments, and for this very reason the funds must be kept relatively liquid. Therefore, investment income possibilities are at best too meager." He described the steel industry practice of installment maturity funding, as even closer to pay-as-you go.

The wisest thing for the employer to do who is forced into maturity funding arrangement is to make his plans insured, for the insurance companies have stepped into the breach with a contract geared to meet the temporary funding problem. The employer should choose the insured approach to maturity funding for several reasons. Once a benefit is purchased, the insurance company will be responsible for paying the benefits for as long as the pensioner lives. The annuity purchase rates are guaranteed in advance. The employer may want to put some money into the plan in advance of retirement and he can do so and his money will accumulate at a guaranteed interest rate under an insured plan. If the employer is wise he may want to change over to some form of advance funding and in that case a maturity funding contract makes it easy to switch to regular deposit administration or deferred annuity group annuities, Mr. Drake pointed out.

J. E. Day to Take Bow at Chicago Luncheon Sept. 14

J. E. Day, the new Illinois insurance director, will make his initial appearance before a Chicago insurance audience Sept. 14. He will be saluted at a luncheon meeting of the insurance membership group of Union League Club of Chicago. Presiding will be Roy L. Davis, western manager of Assn. of Casualty & Surety Companies, who is general chairman of the insurance group. Special guests will include Hugh L. Tollack, assistant secretary of National Assn. of Insurance Commissioners; Frank J. Bartsch, deputy of the Illinois department, and W. E. Wall, new chief examiner.

Mr. Davis has constituted his insurance committee for the new season. It consists of E. M. Griggs, National Board of Fire Underwriters; A. V. Gruhn, American Mutual Alliance; George F. Manzelmann, North American Accident; W. W. Hamilton, Chicago Board of Underwriters; Donald Wood, Jr., Childs & Wood Agency; R. L. Hogg, American Life Convention and Clarence E. Smith, Northwestern Mutual Life.

Convention Dates

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 21-22, All-industry committee deliberations on uniform agent-broker licensing bills, unlicensed insurer bills and interstate compact proposal, New York.

Sept. 25-27, Life Office Management Assn., annual, Royal York hotel, Toronto.

Sept. 25-29, National Assn. of Life Underwriters, annual, Hotel Statler, Washington.

Sept. 25-28, National Fraternal Congress, annual, Statler hotel, New York City.

Oct. 3-6, American Life Convention, annual, Edgewater Beach hotel, Chicago.

Oct. 12-13, N.A.I.C. zone 5, Kansan hotel, Topeka.

Oct. 16-17, Zone 3 Commissioners, Statler hotel, St. Louis.

Oct. 23-24, Actuarial Club of the Pacific States, Del Monte Lodge, Pebble Beach, Cal.

October 23-25, Canadian Insurance Superintendents, annual, Brock hotel, Niagara Falls, Ont.

Oct. 23-25, Life Insurance Advertisers Assn. of America, annual, Claridge hotel, Atlantic City.

Oct. 23-26, Assn. of Superintendents of Insurance of Canada, General Brock hotel, Niagara Falls, Ont.

Nov. 1-3, Institute of Home Office Underwriters, annual, Fontenelle hotel, Omaha.

More Prospects for the Analagraph

Long strengthened by the Analagraph closing ratio of 1 out of 1.9, the Mutual Benefit life underwriter now has the new *Single-Interview Analagraph* presentation as an additional tool! This short, practical and easily used Analagraph unit enables a man to program those prospects who do not qualify for the complete service:

- The young man with a need for more life insurance, but with limited buying power
- The man whose insurance needs are simple
- The man who has only time for a single interview
- The man in an outlying district, where one interview is more efficient

For these prospects the Single-Interview Analagraph simplifies the entire process, and effectively closes cases for the immediate potential!

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

ORGANIZED IN 1845 NEWARK, NEW JERSEY

BMA LEADS THE WAY

In ACCIDENT and HEALTH PROTECTION

INCOME DURING DISABILITY

★ World-wide protection and full coverage for both accident and sickness regardless of other insurance owned.

★ Income for hospital and nurse's expenses to $750.00 a month—plus surgery benefits.

★ Life-time accident benefits and full monthly income for both confining and non-confining illness.

Represented only by full-time fieldmen

BUSINESSMEN'S ASSURANCE COMPANY

LEGAL RESERVE FRATERNALS

Fraternal Actuaries Meet Sept. 26

Fraternal Actuarial Assn. will meet at the Statler hotel, New York City, Sept. 26, during the National Fraternal Congress week.

R. A. Hohaus, actuary Metropolitan Life, will present a paper on "Recent Amendments to the Social Security Act." A paper on "Recent Changes in Insurance Laws in Canada" will be presented by Samuel Eckler of Pipe & Eckler, consulting actuaries, Toronto.

There will be a discussion of the following papers presented at the last meeting: "Hospitalization Insurance and Fraternal Benefit Societies," C. A. Tiffany, Thomas & Tiffany, Chicago; "Results of a Recent Reserve Strengthening Program," C. R. Keene, Harley N. Bruce Associates, Chicago; "Some Observations on Reducing Term Insurance," John Phelps, assistant secretary Lincoln National Life; "Some Problems in Integrating Social Security with a Local Retirement Plan," R. G. Roeder, consulting actuary, Detroit, and "Adapting a Traditional Method of Gross Premium Calculation to Fraternal Societies," R. H. Taylor, Taylor & Taylor, consulting actuaries, Cedar Rapids, Ia.

The meeting will merge with the law section of the National Fraternal Congress for a panel on the problems of obtaining departmental approval for new certificate forms.

On Sept. 25, the first day of National Fraternal Congress week, there will be meeting of the Fraternal Field Managers Assn. and of the Fraternal Investment Assn. Sept. 26 will open with registration followed by a press section meeting and breakfast. The meeting of the law, medical and president's sections will follow. The state congress section will hold a meeting and luncheon and the day will close with meetings of the secretaries' section and the Fraternal Actuarial Assn.

Equitable Reserve Names Henning Medical Head

Dr. Roger E. Henning has been appointed supreme medical examiner of Equitable Reserve.

Dr. R. E. Henning

He graduated from University of Wisconsin and Northwestern University. In 1940, he started his internship at St. Elizabeth's hospital, Washington, D. C., and later did postgraduate work there and at St. Luke's hospital, Chicago. He practiced in Chicago from 1942 to 1944 He served in the navy medical corps. From 1945 to 1948 he was with the Jackson Clinic, Madison, Wis. In 1948 he started his own practice in Neenah, Wis. In 1949 he became associate medical examiner of Equitable.

Eagles Buy Home Office

The grand aerie of Eagles has purchased a large residence at Cincinnati to house the home office of Eagles National Life and F.O.E. Insurance Service. The present home office property has been sold to Western & Southern Life for a parking garage.

It is reported that **Maccabees** has written large policies on the lives of Bing Crosby and Arthur Godfrey, respectively, in favor of Columbia Broadcasting Co.

H. P. Staples has been appointed manager at Port Arthur, Ontario, for North American Life. He succeeds C. E. Dowling, who has retired. **G. E. McIlroy** has been named assistant manager at Edmonton.

PERTINENT STATISTICS

ASSETS ..... Over $117,000,000

INSURANCE IN FORCE..... Over $510,000,000

BENEFITS PAID SINCE 1902.... Over $ 53,000,000

AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance

Exclusively for Synodical Conference Lutherans

Home Office: APPLETON, WISCONSIN

PROTECTED HOME CIRCLE

SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY, Supreme President L. D. LININGER, Supreme Secretary

SHARON, PA.

SALES MEETS

West Coast Offers Persistency Bonuses

At the annual meeting of the Leaders Club of West Coast Life at Lake Tahoe, Cal., the 150 present were introduced to the new agents' contract of the company which offers persistency modifications in commission earnings. Under the new contract, an agent who maintains a persistency average of 90% or better is paid an additional 15% of basic commission. The persistency bonus is scaled down according to the rating and a man with a persistency rating between 80 and 89 is paid 10% over the amount of the set commission. Policies with face amounts of $5,000 or more have first year commissions increased by 5%. At the completion of 20 years service with the company, a West Coast Life agent can obtain a life annuity determined by the amount and persistency of his production and he is permitted to continue his production for an additional five or 10 years to increase the size of his life annuity.

Presiding over the four-day program were the officers of the Leaders Club: Victor J. Andreatta, Dunsmuir, Cal., president; Robert Woo, San Francisco, 1st vice-president and John L. Letsinger, Dunsmuir, 2nd vice-president.

A new sales contract, the cooperators' guide, was presented along with new sales kits. Harry J. Stewart, president, Seth B. Thompson, agency vice-president, Carlos C. Warner, vice-president and Dr. Ivan C. Heron, vice-president and medical director, spoke. Dr. Heron announced that the company is now accepting $5,000 non-medical cases and that at the end of the 12-month period a producer can again issue the same client another $5,000 policy without a medical examination. A. C. Olshen, vice-president and actuary, Stephen S. Battleson, manager of the A. & H. department and Van Vanette, manager of the group department, outlined the work of their respective sections.

Mutual Trust Life Holds Eastern Sales Meeting

The annual eastern sales meeting of Mutual Trust Life was held at Saranac Lake, N. Y. President Raymond Johnson spoke at the banquet and other speakers were Dr. R. O. Blood, former governor of New Hampshire; Bert Zahner, manager underwriting department, and General Agents J. H. Ehn, Hartford; Arthur Boardman, Boston; Bernard Bergen and Bernard Eiber, Brooklyn.

A new four-point business insurance program was reviewed by Delmar Olson, assistant vice-president and assistant counsel, and W. N. Hesse, New York City general agent. W. E. Grof, manager of agencies, and L. I. Lester, New York City general agent, led a round table on the use of settlement options. C. H. Kiefer, agency secretary, and J. E. Whiting, New Jersey district agent, covered prospecting.

A. H. Neil, eastern manager, and S. B. Merchant, educational director, were chairmen.

Midwestern United Life Hold Leaders Convention

Midwestern United Life recently held its leaders convention at French Lick, Ind., with 30 leaders and their wives attending. Total business for the first seven months was $6½ million, of which the 30 leaders paid for over $3½ million.

The company has 157 agents in Indiana, 70% of whom had never before been in the business before joining Midwestern. This was also true of 21 of the 30 leaders.

ACCIDENT

Bowles Urges Catastrophe Hospital Cover for Connecticut Residents

HARTFORD—Governor Bowles has proposed the creation of a Connecticut insurance plan to help pay the cost of unusual hospital expenses incurred by Connecticut residents.

He suggested "a common fund to be used only for a long, serious, and costly illness that could not be paid for in a normal way." Everyone, he said, would make a small annual contribution to the fund. He denied emphatically that he was proposing anything that would involve government control of medicine.

"It would be a Connecticut program," he said, "using private health resources, doctors, nurses, hospitals, and druggists, with no connection with the federal government." Advantages would accrue both to patients and their families, and to doctors who now provide expensive services for which they can't be paid, he added.

Mr. Bowles also suggested establishment of 20 or 30 diagnostic clinics throughout the state to help detect serious illnesses.

Cal. Managers Meet Nov. 3

The California State Assn. of A. & H. Managers will hold its annual meeting at the Clift Hotel, San Francisco, Nov. 3. Robert R. Smith, Washington National, San Francisco, is president of the association and D. M. Brovan, Mutual Benefit H. & A., convention general chairman. William L. Hardy, West Coast Life, will preside at the luncheon and sales meetings.

Canadian Sales Set 7-Month Record

In the early part of 1950, there were indications that the peak had been reached and passed in the current life insurance sales boom in Canada. However, the Korean war has resulted in sales of new life insurance for the first seven months which have hit a seven-month record level of $757,200,000. This was up $20,800,000.

The July production was $117 million, exceeded only in November, 1949, and in November, 1948.

Conn. Mutual to Hold Nationwide Forum Series

A series of 14 advanced underwriting forums will be held by Connecticut Mutual Life to bring agents up-to-date on business insurance and employe insurance plans. A total of 604 agents are expected to attend.

Each forum will consist of a two-day session, the first day devoted to a discussion of employe insurance plans with E. A. Starr, assistant superintendent of agencies, presiding. On the second day, P. A. Hoeffer, assistant counsel, will conduct discussions on business insurance, stock purchase and stock retirement plans.

Meetings will take place at Syracuse Sept. 11-12; Boston, Sept. 14-15; New York City, Oct. 2-3 and Oct. 5-6; Philadelphia, Oct. 16-17; Savannah, Oct. 19-20; Dallas, Nov. 6-7; Omaha, Nov. 13-14; Chicago, Nov. 16-17 and Nov. 20-21; Columbus, O., Dec. 4-5; Portland, Ore., Feb. 19-20; San Francisco, Feb. 23-24, and Los Angeles, March 1-2.

Henry Cheatham, of Lubbock, has been appointed manager there for Pioneer American.

New life business of **Pacific Mutual Life** in August was 159%. Sales of A. & H. also showed substantial gains.

SALES IDEAS OF THE WEEK

Chalk-Talks Help Him Build Up the Insurance Business

A. King Walker of Penn Mutual Life's Los Angeles agency some 10 or 12 years ago was asked if he would give a talk. The approach was made by a woman who was supervisor of consumers education classes of the Los Angeles school system. These classes are attended by the mothers of youngsters attending various schools. His talk was appreciated and during the past 10 years he has been recalled for more of his chalk-talks each year.

In following the outline he puts the items down on the blackboard and urges that anyone break in any time there are points not understood, or to ask any specific questions. He assures them that the subject of life insurance is so large that he can cover it only superficially in any event, and that the interjection of questions will not disturb his train of thought.

In following through the headings he tries to give brief illustrations of the difference between participating and non-participating insurance. In discussing the types of contracts he calls attention to the fact that term is the only type of insurance that you have to die to beat. He finds an opportunity to quote as almost an axiom that all insurance they now own in good standing is better than anyone could buy for them through replacement.

The whole thing gives him an opportunity to build up the prestige of any agent who calls on them and cements the position of any good agent whose advice they may have.

In the discussion of non-forfeiture values he illustrates age 35 ordinary life on the basis of $10,000, showing the cash and loan values, paid-up insurance and extended insurance values, giving particular attention to the net cost of the insurance after it has to be surrendered at the end of the 10 year period. This is the one place that the blackboard is necessary so the audience can actually visualize costs. When they see the net cost per year per thousand of insurance over a 10-year period the matter of expenditure for premiums does not seem such a big matter.

National Service life insurance is brought up briefly, with the provisions, rights, and a specific reference to the thought that the policy rules out the possibility of using it as a life annuity for retirement.

In the matter of social security, he always stresses survivorship benefits when minor children are involved, as they are in 99% of these cases. He discusses the co-relation of social security and life insurance.

As to the amount and kind of insurance people should buy, he says that Uncle Sam thinks the lowest private in the ranks should have $10,000 insurance and reminds them that any man who carries $1,000 or $1,500 is saying that he thinks more of the doctors and undertakers than his family, as it is obvious the money will have to be used for that purpose. He also quotes the statement that many people suggest that the minimum insurance should be the equivalent of five years' income.

When he started out on this speaking program it was going to be purely a labor of love. He has been rather surprised through the years as to the direct and indirect results. He has had calls from some of the women as long as five years after the talk had been given in the school. He has never attempted to evaluate the time against the amount of business written directly or indirectly, but he feels it gives him an opportunity to do something constructive for the industry as a whole.

Investment Answer

An answer for prospects who think they can do better with their money by investing in stocks or bonds directly, or through a mutual fund, can be found in the New York Herald Tribune's article on Charles E. Merrill, directing partner of Merrill, Lynch, Pierce, Fenner & Beane, the largest securities brokerage house in the world. Said the paper, "Mr. Merrill is a stickler on individuals owning their own homes and life insurance and providing for their families before they acquire stocks or bonds."

ASSOCIATIONS

Bakersfield — Frank Bland, Pacific Coast manager for The National Underwriter Co., told his hearers how they could become better salesmen. A resolution was proposed to be voted on by the members condemning the Bank of America life insured savings account and recommending to the state and national associations that similar action be taken on this group plan for bank depositors.

Chicago—Raymond W. Hilgedag, Indianapolis attorney, will address the joint meeting of the Chicago association and the Chicago C.L.U. Sept. 19 at the LaSalle hotel on "The Estate Case of Mr. Joe Average."

Milwaukee—The annual field day and picnic will be held Sept. 20. Prizes will be awarded at a buffet dinner.

Dallas—Guy L. Goldstandt, associate manager of Equitable Society, has been named national committeeman.

Green River—At a meeting at Owensboro, Ky., Edward L. Hill, Evansville, Ind., spoke on "Life Insurance as Good Property." The association has members at Calhoun, Madisonville, and Owensboro.

Little Rock—James G. Tucker, manager of the social security field office, explained the new social security bill.

Winnipeg—J. E. H. Lewis, London Life, has been elected president; R. H. Little, Dominion Life, vice-president, and Henry Eatough, Great-West Life, secretary-treasurer.

Vancouver—R. G. Cameron, British Columbia manager for Dominion Life, has been elected president, Kenneth Thomson, Great-West Life, 1st vice-president, P. C. Carson, Imperial Life, 2nd vice-president, R. A. Fraser, Dominion Life, secretary, and John George, National Life of Canada, treasurer.

POLICIES

New Columbian National Juvenile Estate Plan

Columbian National Life has introduced a new juvenile estate plan based on endowment at 65. In New York, it is a return premium plan.

Written at ages 0 to 9, the juvenile estate plan quintuples at age 18 with no increase in premium.

Payor insurance may be had on a death only or death and disability basis.

The premiums range from $45.10 at age 0 to $57.95 at age 9, for $5,000 of endowment at 65. A policy for $5,000 (increasing to $25,000 at 18) taken at age 1 would provide at 18: $3,950 in cash, $10,625 paid up endowment at 65 or $25,000 paid up term protection to age 60.

Mutual Trust Changes

Mutual Trust Life has made the following changes in its rate-book: the endowment at 85 contract will be replaced by a life paid-up at 85 policy which will be issued in amounts down to $1,000, except at ages 0 to 15 which will carry a $1,500 minimum limit, and a new $10 per month per $1,000 retirement income contract for females has been added.

Consolidated of Tennessee is issuing ordinary policies on an endowment and limited pay life basis, using the CSO 3% table.

Occidental Life has reduced rates on endowment life income plans maturing at ages 55, 60 and 65 for female lives.

Mutual Service Life has introduced a non-cancellable H. & A. policy to be issued concurrently with life. Hospital, surgical personal physician expense and dependents hospital and surgical riders are available. It is offered in $2,500 and $5,000 amounts.

War Brings Life Cover Peaks

CHATTANOOGA — Cecil Woods, president of Volunteer State Life, told the Optimists Club that the life insurance business is moving toward a new peak in insurance in force which may be directly attributed to the last war. All great peaks in life insurance history have been reached during and after great war periods, he declared. He stated that the three Chattanooga companies have a total of nearly a billion in force.

1950

To the twenty-one Bankers Life of Nebraska representatives who have qualified for the 1950 National Quality Award, we extend our sincere congratulations.

F. Gordon Brown
Dale A. Christensen
Howard M. Koepke
*Carl Lutz
Edgar P. Nispel
*Jay Overholser
Milo B. Roberts
John F. Smith
John S. Spencer
Glen M. Stewart
Leslie J. Carr
*Earl F. Goodrich
J. E. Knoflicek
*W. H. McCaig
Gordon G. Norvell
James H. Rice
Daniel S. Seiverling
Russell E. Snygg
*Charles M. Stewart
Fortune A. Sullo
Glenn F. Waugh

Qualified for receipt of Five Year Award.

Bankers Life
INSURANCE COMPANY
OF NEBRASKA

HOME OFFICE • LINCOLN

NATIONAL RESERVE LIFE
Topeka, Kansas

A few unusual opportunities open for liberal general agent franchises in states west of the Mississippi.

H. O. CHAPMAN, President

Union Pressure Endangers Blue Cross

(CONTINUED FROM PAGE 3)

month. Yet over 70% of the employes had families.

The one thing that is forcing Blue Cross to stray away from their standard practices are the unions. The two big CIO unions, automobile and steel-workers, insist on Blue Cross coverage regardless as to whether or not it provides the best protection for the members and their families. Several union representatives have admitted that commercial insurance companies can now underwrite better plans but their hands are tied. It must be Blue Cross. For this backing Blue Cross has had to broaden their contracts and under many Blue Cross plans this may lead to financial trouble.

Returning to this 1,000 life case that we mentioned that Blue Cross will cover on Sept. 1, we have to point to one arrangement that will prove beyond any doubt how Blue Cross caters to the unions. In this case the union wanted Blue Cross and obtained Blue Cross even though the commercial carrier offered semi-private room accommodations regardless of cost or $8 a day for 70 days if a private room was used. They also offered to provide 100% of the cost of miscellaneous hospital services, immediate maternity benefits for employes and wives as well as an estimated retention of less than 10%. Blue Cross did not meet benefits or gross or net costs. Yet they obtained the business. On layoffs the Blue Cross agreed to provide coverage one month beyond the end of the policy month in which the employe was laid off. This is contrary to their standard practice. On work stoppage, which is a polite word for strike, the Blue Cross agreed to provide protection for an unlimited period with no premiums payable until the employe returned to work and then multiple deductions would take place. If the employe was hospitalized during the work stoppage then he would have to pay his premiums up to date at that time. The Blue Cross further agreed that neither the employer or the union was responsible for premiums that could not be collected at the end of the work stoppage.

We believe that the answer to meeting Blue Cross competition is for employers to realize what is going on. Blue Cross plans that are controlled by the unions should interest many employers for one good reason. Blue Cross has the complete backing of many hospitals and yet many hospitals could not operate if it were not for generous contributions by employers. If a Blue Cross plan goes in the red because of poor underwriting the hospitals take the loss and then ask the employers for greater contributions. Blue Cross always states that the hospitals guarantee their plan.

Need Insurance Supervision

Another answer to Blue Cross competition is for the insurance companies to see to it that all Blue Cross plans come under the supervision of the various state insurance departments. This would protect Blue Cross from unreasonable demands on the part of the unions. Since Blue Cross plans operate like hospital group writing companies it would seem to us that they should be supervised and taxed. Blue Cross plans have always claimed that they are a non-profit organization. We believe that there is no such animal. Blue Cross endeavors to build up reserves. Reserves are undistributed profits.

Taking the other side of the argument we believe that Blue Cross has been of valuable service to the American people. It is our sincere hope that Blue Cross will always be of service. We do, however, believe that Blue Cross should only sell hospital and perhaps surgical coverage. Blue Cross should not discriminate with their coverage. Above all Blue Cross should be independent and not controlled by any group with the possible exception of the hospitals.

We realize that we have gone a little beyond a word of warning mentioned in the first paragraph. However, we believe that what we have said will interest you.

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RICHMOND • ATLANTA

Committees Announced for N.A.I.C. Los Angeles Meeting

LOS ANGELES — Commissioner Downey, who will be host to the midwinter meeting of National Assn. of Insurance Commissioners here Dec. 10-15, has announced committee assignments.

Howard J. Brace, Occidental Life, former Wyoming commissioner, is general chairman. Leslie J. Cooper, Pacific Mutual Life, is housing chairman, with Maurice V. Pew, Farmers Insurance Exchange, and former Iowa deputy commissioner, as his assistant.

The executive committee is composed of T. J. Blalock, Pacific Indemnity; Thomas M. Bruce, Guarantee Union Life; Asa V. Call, Pacific Mutual Life; George Chalmers, California State Automobile; James F. Crafts, Fireman's Fund; James F. Deering, Guarantee; J. C. Earle, Beneficial Standard; Preston Hotchkis, Founders F. & M.; Norman O. Houston, Golden State Mutual Life; Van F. Joy, president Insurance Assn. of Los Angeles; O. J. Lacy, California-Western States Life; John Q. McClure, National Automobile & Casualty; Victor Montgomery, Pacific Employers; John L. Mylod, Pacific National Fire; Stuart O'Melveny, Title Insurance & Trust Co.; George P. Quigley, president Life Underwriters Assn., Los Angeles; Ralph W. Smith, Unity Mutual Life & Accident; Harry J. Stewart, West Coast Life; John Tyler, Farmers group; Harry J. Volk, Prudential, and O. S. Weide, Constitution Life.

Drake University Offers C.L.U. and C.P.C.U. Courses

DES MOINES—Drake University's community college will offer C.L.U. and C.P.C.U. courses this fall.

The life course is in its fourth year at Drake. P. C. Irwin, vice-president and actuary of Equitable Life of Iowa, will teach the C.L.U. course.

For the first time Drake will offer all five parts of the C.P.C.U. course. Previously only the first two parts had been offered.

Wayne Mackman of Jester & Sons and Jack Wheaton of the Hopkins agency will teach parts 1-2. Members of the Drake staff will teach the other three parts.

Haley Ohio Convention Chief

Richard E. Haley, manager of Dominion Life at Akron, has been named general chairman for the annual convention of Ohio Assn. of Life Underwriters there next spring. Committees will soon be named to assist Mr. Haley in arranging for the convention. Several hundred life men will attend.

Department Men at Detroit

At the luncheon meeting of Detroit A. & H. Assn. Sept. 12, a panel from the Michigan department, including H. B. Thompson, life division; Jack Wickstrom, A. & H. division, and W. C. Conley, actuary, will cover legislative matters and will seek support to strengthen the A. & H. code.

Casualty Cover Terminates

Though companies permit the carrying of group life on employes called into service for periods ranging up to 90 days or longer in some cases, the usual practice with group casualty coverages is to terminate them when the employe leaves the employer or discontinue the coverage at the end of the month in which he enters active service. Group life lends itself to conversion to ordinary but casualty coverages aren't convertible to an individual basis.

A. & H. Managers Club of Los Angeles will hold its first fall meeting Sept. 18. W. H. Parker, chief of police, will speak on "The Police and the Public."

To Expand Sales Programs in Fall

(CONTINUED FROM PAGE 3)

cept as limited by statements of fund policy filed with SEC.

There is a token regard in present fund sales literature for the principle that life insurance and savings are the fundamental needs of the average man and take priority over other investments. The investment man's idea of an adequate insurance program, however, seems limited entirely to term. Many have standard presentations in their sales folders outlining the advantages of the "buy term and invest yourself" philosophy, whose fallacies are well known to trained insurance salesmen. Nor is there any assurance that a securities salesman has had any knowledge or experience which qualifies him to decide when a man's insurance is adequate.

The literature on display at the meeting, some of it scheduled for the waste basket, borrowed liberally from the vernacular of life insurance sales talks and literature. Mutual funds were described as the "modern way" to future security, to educate children, to create an estate for the support of family and children, to save for future travel, to augment earnings after the production peak has passed, to supplement social security and pensions, to retire in comfort, to leave an estate for the family, to create a living annuity, etc. Such phraseology should quickly put to rest euphemistic beliefs that the life agent and the fund salesman are not competitors.

Prestige Parasites?

Sales presentations generally indicate a desire on the part of securities dealers to chisel in on the prestige and reputation for stability of life insurance through associating by reference a mutual fund investment with life insurance to achieve practically every savings goal.

Another development noticed at the meeting was the growth of periodic purchase plans where the investor arranges a long term plan for continued purchase of shares and the reinvestment of dividends.

Sales Literature

Advertising agencies and firms specializing in market charts were represented at the meeting, along with hundreds of dealers to carry the latest promotional techniques into operation at the local level.

Special literature is available for selling specific markets such as doctors, lawyers, and women, as at agency conventions.

The effects of inflation are advanced as an argument for buying fund shares. Life insurance is "damned through faint praise" in one pamphlet by this expression: "Life insurance and money in a bank afford fixed dollar protection but a well rounded estate building estate program should also afford reasonable opportunity for growth of principal and income through ownership of the common stocks of leading American corporations."

Some insurance men have discounted the growth of mutual funds as competitors, stating that they intrude only in the higher income field. This is countered by evidence that the development of the $10 and $20 a month plans is bringing the fund salesman into much broader competition. Even if he restricts himself to higher income prospects, that, some producers, feel, is just as worrisome, because it is from that market that the premiums for the larger policies come.

George W. Evans, formerly claim examiner for All States and before that with the claims department of Travelers, has been made assistant to the general counsel of Interstate Life & Accident.

What better evidence that NORTHWESTERN MUTUAL *training helps bring success?*

NORTHWESTERN MUTUAL'S

5-Phase Educational Program

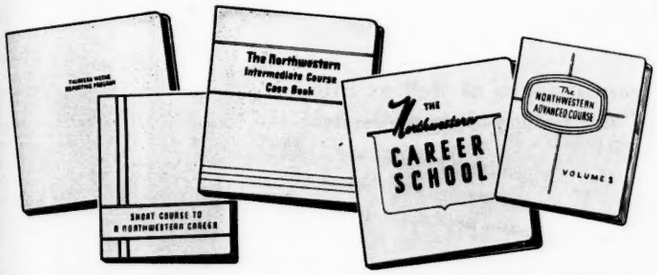
1. Short Course. The new agent is given 2 to 4 weeks of personal tutoring. The text used and the sales techniques employed have been evolved from many years of successful agent training.

2. 13-weeks Reporting Program. The new agent prepares weekly reports of his work. These reports are analyzed each week by the Educational division and appropriate comments sent to the agent in a personal letter. Thus the agent learns how to improve his pattern of work.

3. Intermediate Course. The agent gets personal practical experience in programming procedures. He prepares his own presentations based on case studies of actual sales by the Company's top salesmen.

4. Career School. Agents who qualify by demonstrated aptitude come to the Home Office to receive intensive instruction from officers and specialists of the Company. Outstanding records have been made following attendance at this school.

5. Advanced Training. The latest, most comprehensive course that has been developed for the life underwriter. It covers Estate Planning, Business Life Insurance, Pension Trusts, Estate Taxes & Liquidation, Gift taxes, etc. Requires 18-30 months to complete.



112 Northwestern Mutual agents won membership last year in THE MILLION DOLLAR ROUND TABLE . . . almost *twice* as many as the *No. 2 and No. 3 companies combined.*

242 Northwestern Mutual agents have earned the coveted degree of CHARTERED LIFE UNDERWRITER . . . a greater number proportionately than *any other* life insurance company.

THE new Northwestern Mutual agent soon learns *one* principal reason why such records as the above are made with this company.

He is introduced without delay to one of the most thorough, most concentrated training courses ever made available in the life insurance field. It is the Northwestern Mutual Educational Program.

It is this unique training program which has contributed so much to the signal success of so many Northwestern Mutual agents . . . to their high reputation in the profession . . . and to the name of Northwestern Mutual itself as "The Career Company."

Training makes for increased production. Northwestern Mutual follows through in the training of its agents

The NORTHWESTERN MUTUAL *Life Insurance Company*

ESTABLISHED 1857 • MILWAUKEE, WISCONSIN

Added

POWER

for

Guardian Producers

Improved Waiver of Premium and $10 Disability Income Provisions

- Our regular $10 per $1,000 monthly income to age 65—*then Policy Matures As An Endowment For The Face Amount.*
- A modern definition of "total" disability.
- New low waiver rates for men or women.

Term Policies

- New term to 70 as well as regular term policies at very low premiums.
- Waiver and disability income available on these term policies.
- Increased first year commissions.
- Liberal conversion privileges.

New Family Income Agreement

- $20 per month per $1,000 on all permanent plans as well as $10 per month — both still independent of the basic policy proceeds.

The

GUARDIAN

LIFE INSURANCE COMPANY

OF AMERICA

50 Union Square New York 3, New York